

CF 7lr1150

By: Chairman, Economic Matters Committee (Departmental - Insurance Administration, Maryland)

Introduced and read first time: January 30, 1997

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 21, 1997

CHAPTER _____

1 AN ACT concerning

2 **Maryland Insurance Administration - Funding Mechanism**

3 FOR the purpose of establishing the Insurance Regulation Fund as a special fund within
 4 the State budget; providing for the characteristics, management, income, purpose,
 5 and expenditures of the Fund; establishing an insurance regulation fee to be
 6 imposed on certain entities in lieu of all other fees; establishing a certain limitation
 7 on a certain assessment rate; providing for the segregation of an account for the
 8 Insurance Fraud Division; repealing certain fees; altering the guidelines used by the
 9 Commissioner when calculating retaliatory taxes and fees; altering certain fees;
 10 altering a certain expiration date; requiring the Insurance Administration to impose
 11 the insurance regulation fee in a certain manner; providing for the effective dates of
 12 this Act; and generally relating to the funding of the costs and expenses of the
 13 Maryland Insurance Administration related to the regulation of insurance activities
 14 in the State.

15 BY repealing and reenacting, with amendments,

16 Article 48A - Insurance Code

17 Section 23(1), 33, 41A, 41B, 41C, 54, 61, 168(f) and (g), 169, 181(d) and (e)(2),

18 182(g), 233A, 233AF, 283(b), 284(a), 307, 338(a), 341, 342, 344, 344E(1) and

19 (3), 344F, 353(a), 354, 355(a) and (b), 356(a), 357A(a), 585(c), 609(f), 634,

20 637(d), and 722

21 Annotated Code of Maryland

22 (1994 Replacement Volume and 1996 Supplement)

23 BY repealing

24 Article 48A - Insurance Code

25 Section 33A, 41, 583(d), and 640A through 640D

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1 Annotated Code of Maryland
2 (1994 Replacement Volume and 1996 Supplement)

3 BY adding to

4 Article 48A - Insurance Code
5 Section 33A and 41 through 41F
6 Annotated Code of Maryland
7 (1994 Replacement Volume and 1996 Supplement)

8 BY repealing and reenacting, without amendments,

9 Article 48A - Insurance Code
10 Section 233AE
11 Annotated Code of Maryland
12 (1994 Replacement Volume and 1996 Supplement)

13 BY repealing

14 Article - Health - General
15 Section 19-709
16 Annotated Code of Maryland
17 (1996 Replacement Volume and 1996 Supplement)

18 BY repealing and reenacting, with amendments,

19 Article - Health - General
20 Section 19-711(a), 19-721, and 19-727
21 Annotated Code of Maryland
22 (1996 Replacement Volume and 1996 Supplement)

23 BY repealing and reenacting, with amendments,

24 Article - Insurance
25 Section 2-110(a) and 4-112(a) and (e)
26 Annotated Code of Maryland
27 (1995 Volume and 1996 Supplement)
28 (As enacted by Chapter 36 of the Acts of the General Assembly of 1995, as
29 amended by Chapter 456 of the Acts of the General Assembly of 1996)

30 BY repealing

31 Article - Insurance
32 Section 2-112
33 Annotated Code of Maryland
34 (1995 Volume and 1996 Supplement)
35 (As enacted by Chapter 36 of the Acts of the General Assembly of 1995, as
36 amended by Chapters 60, 189, and 271 of the Acts of the General Assembly of
37 1996)

38 BY adding to

3

1 Article - Insurance
2 Section 2-112
3 Annotated Code of Maryland
4 (1995 Volume and 1996 Supplement)
5 (As enacted by Chapter 36 of the Acts of the General Assembly of 1995, as
6 amended by Chapters 60, 189, and 271 of the Acts of the General Assembly of
7 1996)

8 BY repealing and reenacting, with amendments,

9 Article - Insurance
10 Section 2-113(a), 8-403(b)(1), 8-405, 8-423(a) and (d)(2), 8-444(a), 8-450,
11 8-456(a), 8-510, and 10-117
12 Annotated Code of Maryland
13 (1995 Volume and 1996 Supplement)
14 (As enacted by Chapter 36 of the Acts of the General Assembly of 1995)

15 BY repealing

16 Article - Insurance
17 Section 2-114
18 Annotated Code of Maryland
19 (1995 Volume and 1996 Supplement)
20 (As enacted by Chapter 36 of the Acts of the General Assembly of 1995, as
21 amended by Chapter 60 of the Acts of the General Assembly of 1996)

22 BY adding to

23 Article - Insurance
24 Section 2-114; and 2-501 through 2-506, inclusive, to be under the new subtitle
25 "Subtitle 5. Insurance Regulation Fee"
26 Annotated Code of Maryland
27 (1995 Volume and 1996 Supplement)
28 (As enacted by Chapter 36 of the Acts of the General Assembly of 1995)

29 BY repealing and reenacting, with amendments,

30 Article - Insurance
31 Section 2-208, 2-401, 2-407, 3-206, 14-102, 14-109, 14-110, 14-121(a),
32 14-126(a)(1), 14-405(a), and 14-408
33 Annotated Code of Maryland
34 (1995 Volume and 1996 Supplement)
35 (As enacted by Chapter _____ (H.B. 11) of the Acts of the General Assembly of 1997)

36 BY repealing and reenacting, without amendments,

37 Article - Insurance
38 Section 2-402(b)
39 Annotated Code of Maryland

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- 1 (1995 Volume and 1996 Supplement)
 2 (As enacted by Chapter _____ (H.B. 11) of the Acts of the General Assembly of 1997)

3 BY repealing

- 4 Article - Insurance
 5 Section 3-204(c)
 6 Annotated Code of Maryland
 7 (1995 Volume and 1996 Supplement)
 8 (As enacted by Chapter _____ (H.B. 11) of the Acts of the General Assembly of 1997)

9 BY adding to

- 10 Article - Insurance
 11 Section 3-207.1
 12 Annotated Code of Maryland
 13 (1995 Volume and 1996 Supplement)
 14 (As enacted by Chapter _____ (H.B. 11) of the Acts of the General Assembly of 1997)

15 BY repealing and reenacting, with amendments,

- 16 Article - Insurance
 17 Section 6-105
 18 Annotated Code of Maryland
 19 (1995 Volume and 1996 Supplement)
 20 (As enacted by Chapter 36 of the Acts of the General Assembly of 1995, as
 21 amended by Chapter 352 of the Acts of the General Assembly of 1995, as
 22 amended by Chapter 636 of the Acts of the General Assembly of 1996)

23 BY repealing

- 24 Article - Insurance
 25 Section 6-201 through 6-204, inclusive, and the subtitle "Subtitle 2. Fraud
 26 Prevention Fee"
 27 Annotated Code of Maryland
 28 (1995 Volume and 1996 Supplement)
 29 (As enacted by Chapter 352 of the Acts of the General Assembly of 1995)

30 BY repealing and reenacting, with amendments,

- 31 Article - Insurance
 32 Section 6-303(a)
 33 Annotated Code of Maryland
 34 (1995 Volume and 1996 Supplement)
 35 (As enacted by Chapter 36 of the Acts of the General Assembly of 1995 and as
 36 enacted by Chapter _____ (H.B. 387) of the Acts of the General Assembly of
 37 1997)

38 BY repealing

- 39 Article - Insurance

5

1 Section 8-451(d), 8-461(d), and 8-462(d)
2 Annotated Code of Maryland
3 (1995 Volume and 1996 Supplement)
4 (As enacted by Chapter 36 of the Acts of the General Assembly of 1995)

5 BY repealing and reenacting, with amendments,

6 Article - Insurance
7 Section 10-112(a)
8 Annotated Code of Maryland
9 (1995 Volume and 1996 Supplement)
10 (As enacted by Chapter 36 of the Acts of the General Assembly of 1995, as
11 amended by Chapter 635 of the Acts of the General Assembly of 1995)

12 BY repealing and reenacting, with amendments,

13 Article - Insurance
14 Section 10-118(a)
15 Annotated Code of Maryland
16 (1995 Volume and 1996 Supplement)
17 (As enacted by Chapter 36 of the Acts of the General Assembly of 1995, as
18 amended by Chapter 635 of the Acts of the General Assembly of 1995, as
19 amended by Chapter 271 of the Acts of the General Assembly of 1996)

20 BY repealing and reenacting, with amendments,

21 Article - Insurance
22 Section 10-204(e)
23 Annotated Code of Maryland
24 (1995 Volume and 1996 Supplement)
25 (As enacted by Chapter 36 of the Acts of the General Assembly of 1995, as
26 amended by Chapter 369 of the Acts of the General Assembly of 1996)

27 BY repealing and reenacting, with amendments,

28 Article - Insurance
29 Section 10-404(c)
30 Annotated Code of Maryland
31 (1995 Volume and 1996 Supplement)
32 (As enacted by Chapter 36 of the Acts of the General Assembly of 1995, as
33 amended by Chapters 271 and 369 of the Acts of the General Assembly of
34 1996)

35 BY repealing and reenacting, with amendments,

36 Article - Insurance
37 Section 25-307
38 Annotated Code of Maryland
39 (1996 Volume)

6

1 (As enacted by Chapter 11 of the Acts of the General Assembly of 1996)

2 BY repealing

3 Article - Insurance

4 Section 2-112

5 Annotated Code of Maryland

6 (1995 Volume and 1996 Supplement)

7 (As enacted by Chapter 271, § 2 of the Acts of the General Assembly of 1996)

8 BY adding to

9 Article - Insurance

10 Section 2-112

11 Annotated Code of Maryland

12 (1995 Volume and 1996 Supplement)

13 (As enacted by Chapter 36 of the Acts of the General Assembly of 1995)

14 BY repealing and reenacting, with amendments,

15 Article - Insurance

16 Section 10-118(a)

17 Annotated Code of Maryland

18 (1995 Volume and 1996 Supplement)

19 (As enacted by Chapter 271, § 2 of the Acts of the General Assembly of 1996)

20 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF

21 MARYLAND, That the Laws of Maryland read as follows:

22 **Article 48A - Insurance Code**

23 23.

24 (1) As early in each fiscal year as is reasonably possible, the Commissioner shall
25 prepare an annual report regarding the previous fiscal year that includes:

26 (a) A list of the authorized insurers transacting insurance business in
27 Maryland, with such summary of their financial statement as he deems appropriate;

28 (b) Names of all insurers whose business was closed during the year, the
29 cause thereof, and the amount of assets and liabilities as ascertainable;

30 (c) Names of insurers against which delinquency or similar proceedings
31 were instituted, and a concise statement of the facts with respect to each such proceeding
32 and the status thereof;

33 (d) (1) A list of the rulings and decisions made in cases before the
34 Administration in the prior fiscal year; AND

35 (2) A STATEMENT OF THE AMOUNT OF THE INSURANCE
36 REGULATION FEE DEPOSITED INTO THE INSURANCE REGULATION FUND;

7

1 (e) A statement of all fees, taxes, and administrative fines and penalties
2 received by the Commissioner and deposited into the General Fund;

3 (f) Recommendations of the Commissioner as to:

4 (1) Amendments to laws affecting insurance; and

5 (2) Matters affecting the Administration; and

6 (g) Such other pertinent information and matters as the Commissioner
7 deems proper.

8 33.

9 The expense incurred in any examination made pursuant to § 30 of this article or
10 pursuant to § 31 concerning surplus line brokers [and insurance holding corporations] or
11 pursuant to § 486B of this article concerning premium finance companies shall be paid for
12 by the person examined, as follows:

13 (1) Each person examined shall pay to the Commissioner the travel
14 expenses, living expense allowance, and a per diem as compensation of examiners,
15 actuaries and typists, to the extent incurred on account of the examination, all at
16 reasonable rates as established by the Commissioner.

17 (2) A detailed account of the expense incurred may be presented to the
18 person examined periodically during the course of the examination or at the termination
19 of the examination, as the Commissioner deems proper.

20 (3) No person shall pay and no examiner shall accept any additional
21 emolument on account of any examination.

22 [33A.

23 (a) All money received under §§ 33(i), 41(1), (2), (3), (4) and (16), and 194 of this
24 article shall be general funds of the State, except that money for travel expenses and
25 living expense allowance received pursuant to § 33(i) of this article shall be held in a
26 special revolving fund by the Comptroller for the sole purpose of the payment of the costs
27 of examinations of insurance companies.

28 (b) The following moneys may not be considered general funds of the State and
29 shall be deposited in the Insurance Fraud Division Fund:

30 (1) Revenue derived from the annual fraud prevention fee under § 640B of
31 this article; and

32 (2) Income from investments that the State Treasurer makes for the
33 Insurance Fraud Division Fund.]

34 33A.

35 (A) THE FOLLOWING MONEYS SHALL BE CONSIDERED GENERAL FUNDS OF
36 THE STATE:

37 (1) ALL REVENUE RECEIVED UNDER SUBTITLE 47 OF THIS ARTICLE;

8

1 (2) ALL REVENUE RECEIVED UNDER §§ 61, 194, AND 208 OF THIS
2 ARTICLE; AND

3 (3) ALL PENALTIES IMPOSED BY THE COMMISSIONER, INCLUDING
4 PENALTIES IMPOSED UNDER:

5 (I) SECTIONS 55A, 175A, 210, 230A, 242, 361, AND 486H OF THIS
6 ARTICLE;

7 (II) ARTICLE 48B OF THE CODE; AND

8 (III) TITLE 19, SUBTITLE 7 OF THE HEALTH - GENERAL ARTICLE.

9 (B) THE FOLLOWING MONEYS MAY NOT BE CONSIDERED GENERAL FUNDS
10 OF THE STATE AND SHALL BE DEPOSITED INTO THE INSURANCE REGULATION
11 FUND:

12 (1) ALL REVENUE RECEIVED THROUGH THE IMPOSITION OF THE
13 INSURANCE REGULATION FEE;

14 (2) ALL REVENUE FROM THE IMPOSITION OF FEES ON PERSONS OTHER
15 THAN INSURERS; AND

16 (3) INCOME FROM INVESTMENTS THAT THE STATE TREASURER MAKES
17 FOR THE FUND.

18 [41.

19 The Commissioner shall collect in advance, and the persons so served shall pay the
20 following fees to the Commissioner:

21 (1) Certificates of authority:

22 (i) Application for original certificate of authority: For filing
23 applications for certificate of authority, articles of incorporation (except as provided in
24 subsection (2) of this section) and other charter documents, bylaws, financial statement,
25 examination report, power of attorney to the Commissioner, and all other documents and
26 filings required in connection with such application..... \$ 1,000.00

27 (ii) Original certificate of authority..... \$ 200.00

28 (iii) Annual continuation or renewal of certificate of authority for all
29 foreign insurers and those domestic insurers with their home or executive office in
30 Maryland..... \$ 500.00

31 (iv) Annual continuation or renewal of certificate of authority for
32 domestic insurers with their home or executive office outside of Maryland except those
33 insurers which had their home or executive office outside of Maryland prior to January 1,
34 1929.

35 With premiums written in the most recent calendar year not exceeding
36 \$500,000.....\$2,500.00

37 With premiums written in the most recent calendar year not exceeding
38 \$1,000,000.....\$5,000.00

1 With premiums written in the most recent calendar year not exceeding
 2 \$2,000,000.....\$7,000.00

3 With premiums written in the most recent calendar year not exceeding
 4 \$5,000,000.....\$9,000.00

5 With premiums written in the most recent calendar year of more than
 6 \$5,000,000.....\$11,000.00

7 (v) Reinstatement of certificate of authority..... \$ 500.00

8 (2) Articles of incorporation, etc.:

9 (i) Filing articles of incorporation of domestic or foreign insurer for
 10 approval, exclusive of fees required to be paid by the corporation to the Department of
 11 Assessments and Taxation..... \$ 25.00

12 (ii) Filing amendment of articles of incorporation, domestic and
 13 foreign insurers, exclusive of fees required to be paid to the Department of Assessments
 14 and Taxation by a domestic corporation..... \$ 10.00

15 (3) Filing bylaws or amendment thereto, where required..... \$ 10.00

16 (4) Certificates of qualification:

17 (i) Original agent's within 1 year of renewal..... \$ 25.00

18 (ii) Original agent's over 1 year from renewal..... \$ 50.00

19 (iii) Original broker's within 1 year of renewal..... \$ 40.00

20 (iv) Original broker's over 1 year from renewal..... \$ 80.00

21 (v) Biennial renewal agent's..... \$ 50.00

22 (vi) Biennial renewal broker's..... \$ 80.00

23 (vii) Application fee..... \$ 25.00

24 (viii) Original managing general agents..... \$ 30.00

25 (ix) Annual renewal managing general agents..... \$ 30.00

26 (5) Appointments:

27 (i) Original filing per appointment..... \$ 25.00

28 (ii) Notice of each termination..... \$ 25.00

29 (6) Surplus line broker's certificate of qualification:

30 (i) Original certificate within 1 year of renewal..... \$ 100.00

31 (ii) Original certificate over 1 year from renewal..... \$ 100.00

32 (iii) Biennial renewal or continuation of certificate..... \$ 200.00

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- (7) Public adjuster's license:
 - (i) Original license within 1 year of renewal..... \$ 25.00
 - (ii) Original license over 1 year from renewal..... \$ 50.00
 - (iii) Biennial renewal or continuation of license..... \$ 50.00
- (8) Adviser's license:
 - (i) Original license within 1 year of renewal..... \$ 100.00
 - (ii) Original license over 1 year from renewal..... \$ 200.00
 - (iii) Biennial renewal or continuation of license..... \$ 200.00
- (9) Insurance vending machine license, each machine, each second year.....\$50.00
- (10) For valuing life insurance policies, other than group or credit:
 - (i) For the first \$14,000,000 of insurance or any fractional part thereof..... \$ 350.00
 - (ii) For each additional \$1,000,000 of insurance or fractional part thereof..... \$ 25.00
- (11) For valuing group life insurance policies other than credit, per million of insurance or any fractional part thereof..... \$ 3.00
- (12) For valuing individual and group credit life insurance policies, per million of insurance or any fractional part thereof..... \$ 12.00
- (13) For valuing the reserve liabilities for outstanding annuity contracts, per million dollars of reserve or any fractional part of it..... \$ 25.00
- (14) Filing annual statement by unauthorized insurer applying for approval to become an accepted insurer applying for approval to become an accepted reinsurer and/or a surplus lines carrier..... \$ 1,000.00
- (15) Temporary certificates and appointments:
 - (i) Agents..... \$ 25.00
 - (ii) Brokers..... \$ 40.00
- (16) Form and rate filings under §§ 242, 242A, 334, 356, 375, and 436H of this article..... \$ 100.00
- (17) Approval of continuing education courses..... \$ 50.00
- (18) Service of legal process under §§ 57 and 197 of this article..... \$ 15.00]

41.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

11

1 (2) "INSURANCE PROFESSIONAL" MEANS AN AGENT, BROKER,
2 MANAGING GENERAL AGENT, SURPLUS LINES BROKER, PUBLIC ADJUSTER, OR
3 INSURANCE ADVISER WHO HAS A VALID CERTIFICATE OF QUALIFICATION.

4 (3) "CERTIFICATE OF QUALIFICATION" INCLUDES A LICENSE.

5 (B) (1) THE COMMISSIONER SHALL COLLECT THE FEES SET OUT IN THIS
6 SUBSECTION IN ADVANCE FROM THE PERSONS LISTED.

7 (2) INSURANCE PROFESSIONALS:

8 (I) ORIGINAL CERTIFICATE OF QUALIFICATION WITHIN 1 YEAR
9 OF RENEWAL.....~~\$ 45.00~~ \$ 35.00

10 (II) ORIGINAL CERTIFICATE OF QUALIFICATION OVER 1 YEAR
11 FROM RENEWAL.....\$ 70.00

12 (III) BIENNIAL RENEWAL OR CONTINUATION OF CERTIFICATE OF
13 QUALIFICATION.....~~\$ 70.00~~ \$ 65.00

14 (3) TEMPORARY CERTIFICATES OF QUALIFICATION:

15 (I) AGENTS..... \$ 45.00

16 (II) BROKERS..... \$ 60.00

17 (4) SERVICE OF LEGAL PROCESS UNDER §§ 57 AND 197 OF THIS
18 ARTICLE.....\$ 15.00

19 (5) COPIES OF DOCUMENTS ON FILE IN THE COMMISSIONER'S OFFICE
20 PER PAGE.....\$ 0.25

21 41A.

22 (A) IN §§ 41A THROUGH 41G OF THIS SUBTITLE AND IN § 61 OF THIS ARTICLE
23 THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

24 (B) "FUND" MEANS THE INSURANCE REGULATION FUND.

25 (C) (1) "INSURER" MEANS AN INSURER OR OTHER ENTITY AUTHORIZED TO
26 ENGAGE IN BUSINESS IN THE STATE UNDER A CERTIFICATE OF AUTHORITY OR
27 LICENSE ISSUED BY THE COMMISSIONER.

28 (2) "INSURER" INCLUDES:

29 (I) A HEALTH MAINTENANCE ORGANIZATION OPERATING UNDER
30 A CERTIFICATE OF AUTHORITY ISSUED BY THE COMMISSIONER UNDER TITLE 19,
31 SUBTITLE 7 OF THE HEALTH - GENERAL ARTICLE;

32 (II) A NONPROFIT HEALTH SERVICE PLAN OPERATING UNDER
33 SUBTITLE 20 OF THIS ARTICLE;

34 (III) A DENTAL PLAN REGULATED UNDER SUBTITLE 42 OF THIS
35 ARTICLE;

12

1 (IV) A FRATERNAL BENEFIT SOCIETY REGULATED UNDER
2 SUBTITLE 19 OF THIS ARTICLE;

3 (V) A RECIPROCAL INSURER;

4 (VI) THE MARYLAND AUTOMOBILE INSURANCE FUND; AND

5 (VII) A SELF-INSURANCE GROUP OPERATING UNDER SUBTITLE 44
6 OF THIS ARTICLE.

7 (D) (1) "PREMIUMS" HAS THE MEANING STATED IN § 631 OF THIS ARTICLE
8 TO THE EXTENT IT IS ALLOCABLE TO THIS STATE AND WRITTEN DURING THE
9 PRECEDING CALENDAR YEAR.

10 (2) "PREMIUMS" INCLUDES ANY AMOUNTS PAID TO A HEALTH
11 MAINTENANCE ORGANIZATION AS COMPENSATION ~~ON A PREDETERMINED~~
12 ~~PERIODIC RATE BASIS~~ FOR PROVIDING TO MEMBERS THE SERVICES SPECIFIED
13 UNDER ~~§§ 19-701(D)(2) AND 19-706(E)~~ TITLE 19, SUBTITLE 7 OF THE HEALTH -
14 GENERAL ARTICLE TO THE EXTENT IT IS ALLOCABLE TO THIS STATE AND WRITTEN
15 DURING THE PRECEDING CALENDAR YEAR.

16 41B.

17 (A) THE COMMISSIONER SHALL COLLECT AN ANNUAL INSURANCE
18 REGULATION FEE AS PROVIDED IN § 41C OF THIS SUBTITLE.

19 (B) THE INSURANCE REGULATION FEE IS:

20 (1) EXCEPT WHERE SPECIFIED IN LAW, IN LIEU OF ALL OTHER FEES
21 IMPOSED ON INSURERS;

22 (2) IN ADDITION TO ANY PENALTIES OR PREMIUM TAX IMPOSED
23 UNDER THIS ARTICLE; AND

24 (3) DUE AND PAYABLE BY AN INSURER ON OR BEFORE JULY 31 OF
25 EACH YEAR.

26 (C) THE TOTAL AMOUNT OF THE INSURANCE REGULATION FEE COLLECTED
27 BY THE COMMISSIONER SHALL BE DEPOSITED IN THE FUND.

28 41C.

29 (A) (1) ~~THE TOTAL INSURANCE REGULATION FEE IS APPORTIONED IN~~
30 ~~RELATION TO THE BURDEN ON THE STATE TO ADEQUATELY AND APPROPRIATELY~~
31 ~~REGULATE THE INSURANCE BUSINESS ENGAGED IN BY INSURERS WITHIN THE~~
32 ~~STATE~~ THE INSURANCE REGULATION FEE SHALL BE AN AMOUNT THAT WILL BE
33 ADEQUATE TO PROPERLY REGULATE THE INSURANCE BUSINESS IN THE STATE.

34 (2) THE INSURANCE REGULATION FEE MAY NOT BE ~~CONSTRUED AS A~~
35 USED TO LEVY OR EXCISE A TAX ON PREMIUMS FOR THE PURPOSE OF RAISING
36 GENERAL REVENUE FOR THE STATE.

37 (B) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, ~~IN ORDER TO~~
38 ~~PROPERLY REFLECT THE REGULATORY BURDEN IMPOSED BY EACH INSURER~~

13

~~1 ENGAGED IN THE INSURANCE BUSINESS IN THE STATE, THE INSURANCE
2 REGULATION FEE SHALL BE EXPRESSED AS A PERCENTAGE OF ALL NEW AND
3 RENEWAL GROSS DIRECT PREMIUMS WRITTEN BY AN INSURER SUBJECT TO THE
4 INSURANCE REGULATION FEE DURING THE IMMEDIATELY PRECEDING CALENDAR
5 YEAR EACH INSURER SHALL PAY AN INSURANCE REGULATION FEE THAT IS THE
6 PRODUCT OF THE INSURER'S ADJUSTED GROSS DIRECT PREMIUM, TO THE EXTENT
7 ALLOCABLE TO THIS STATE AND WRITTEN IN THE STATE DURING THE PRECEDING
8 CALENDAR YEAR, MULTIPLIED BY THE BASE ASSESSMENT RATE DETERMINED
9 UNDER SUBSECTION (D) OF THIS SECTION .~~

10 (2) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS
11 PARAGRAPH, THE MINIMUM INSURANCE REGULATION FEE SHALL BE \$2,500.

12 (II) FOR FRATERNAL BENEFIT SOCIETIES AND WORKERS'
13 COMPENSATION SELF-INSURANCE GROUPS, THE MINIMUM INSURANCE
14 REGULATION FEE SHALL BE \$1,500.

15 (C) IN DETERMINING ADJUSTED PREMIUMS SUBJECT TO THE INSURANCE
16 REGULATION FEE, THE FOLLOWING DEDUCTIONS SHALL BE MADE FROM GROSS
17 DIRECT WRITTEN PREMIUMS:

18 (1) RETURNED PREMIUMS, BUT NOT INCLUDING SURRENDER VALUES;

19 (2) RETURNS OR REFUNDS MADE OR CREDITED TO POLICYHOLDERS
20 BECAUSE OF RETROSPECTIVE RATINGS OR SAFE DRIVER AWARDS; AND

21 (3) ANY OTHER DEDUCTION THAT THE COMMISSIONER CONSIDERS
22 REASONABLE.

23 (D) (1) THE BASE ASSESSMENT RATE SHALL EQUAL THE FRACTION
24 OBTAINED BY DIVIDING THE TOTAL REGULATORY COST, MINUS THE SUM OF ALL
25 REVENUE PROJECTED TO BE COLLECTED BY THE COMMISSIONER UNDER § 41D(A)(2)
26 OF THIS SUBTITLE AND ANY FUND BALANCE CARRIED FORWARD FROM THE
27 PREVIOUS FISCAL YEAR, BY THE TOTAL AMOUNT OF ADJUSTED NEW AND RENEWAL
28 GROSS DIRECT PREMIUMS WRITTEN IN THE STATE BY ALL INSURERS.

29 (2) THE BASE ASSESSMENT RATE FOR THE REGULATORY FEE MAY NOT
30 EXCEED 0.0015 OF THE TOTAL AMOUNT OF ADJUSTED NEW AND RENEWAL GROSS
31 DIRECT PREMIUMS WRITTEN IN THE STATE BY ALL INSURERS.

32 ~~(E) THE INSURANCE REGULATION FEE CHARGED TO EACH INSURER SHALL
33 EQUAL THE PRODUCT OF MULTIPLYING THE INSURER'S GROSS DIRECT WRITTEN
34 PREMIUMS BY THE BASE ASSESSMENT RATE.~~

35 41D.

36 (A) THERE IS AN INSURANCE REGULATION FUND THAT CONSISTS OF:

37 (1) ALL REVENUE RECEIVED THROUGH THE IMPOSITION OF THE
38 INSURANCE REGULATION FEE;

14

1 ~~(2) ALL REVENUE FROM THE IMPOSITION OF ALL OTHER FEES~~
2 ~~SPECIFIED AGAINST PERSONS OR ENTITIES OTHER THAN INSURERS UNDER THIS~~
3 ~~ARTICLE; AND~~

4 (2) ALL REVENUE FROM THE IMPOSITION OF:

5 (I) FEES LISTED UNDER § 41 OF THIS SUBTITLE; AND

6 (II) ALL OTHER FEES CHARGED AGAINST ENTITIES OTHER THAN
7 INSURERS UNDER THIS ARTICLE, ARTICLE 48B, AND THE HEALTH - GENERAL
8 ARTICLE; AND

9 (3) INCOME FROM INVESTMENTS THAT THE STATE TREASURER MAKES
10 FOR THE FUND.

11 (B) THE PURPOSE OF THE FUND IS TO PAY ALL COSTS AND EXPENSES
12 INCURRED BY THE MARYLAND INSURANCE ADMINISTRATION RELATED TO THE
13 REGULATION OF THE INSURANCE ACTIVITIES OF ALL INSURERS THAT ENGAGE IN
14 BUSINESS IN THE STATE.

15 (C) (1) ALL COSTS AND EXPENSES OF THE MARYLAND INSURANCE
16 ADMINISTRATION SHALL BE INCLUDED IN THE STATE BUDGET.

17 (2) ANY EXPENDITURES FROM THE FUND TO COVER COSTS AND
18 EXPENSES OF THE MARYLAND INSURANCE ADMINISTRATION MAY ONLY BE MADE:

19 (I) PURSUANT TO AN APPROPRIATION AGAINST THE INSURANCE
20 REGULATION FUND APPROVED BY THE GENERAL ASSEMBLY IN THE ANNUAL STATE
21 BUDGET; OR

22 (II) BY THE BUDGET AMENDMENT PROCEDURE PROVIDED FOR IN
23 § 7-209 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

24 (3) (I) IN ANY GIVEN FISCAL YEAR, IF THE AMOUNT OF THE
25 ~~INSURANCE REGULATION FEE~~ REVENUE COLLECTED BY THE COMMISSIONER
26 UNDER THIS SUBTITLE AND DEPOSITED INTO THE FUND EXCEEDS THE ACTUAL
27 EXPENDITURES PURSUANT TO APPROPRIATIONS FOR THE MARYLAND INSURANCE
28 ADMINISTRATION, THE EXCESS AMOUNT SHALL BE CARRIED FORWARD WITHIN
29 THE FUND FOR THE PURPOSE OF REDUCING THE INSURANCE REGULATION FEE
30 IMPOSED BY THE MARYLAND INSURANCE ADMINISTRATION FOR THE FOLLOWING
31 FISCAL YEAR.

32 (II) IN ANY GIVEN FISCAL YEAR, IF THE AMOUNT OF THE
33 REVENUE COLLECTED BY THE COMMISSIONER UNDER THIS SUBTITLE AND
34 DEPOSITED INTO THE FUND IS INSUFFICIENT TO COVER THE EXPENDITURES OF THE
35 MARYLAND INSURANCE ADMINISTRATION BECAUSE OF AN UNFORESEEN
36 EMERGENCY AND EXPENDITURES ARE MADE PURSUANT TO THE BUDGET
37 AMENDMENT PROCEDURE PROVIDED FOR IN § 7-209 OF THE STATE FINANCE AND
38 PROCUREMENT ARTICLE, ANY ADDITIONAL ASSESSMENT FOR THE EXPENDITURES:

39 1. SHALL BE MADE IN THE FOLLOWING FISCAL YEAR; AND

15

1 2. WHEN ADDED TO THE REGULAR ASSESSMENT FOR THE
2 FOLLOWING FISCAL YEAR, MAY NOT EXCEED THE MAXIMUM PERCENTAGE FOR
3 THE INSURANCE REGULATION FEE UNDER § 41C OF THIS SUBTITLE.

4 (4) THE AMOUNT APPROPRIATED FOR THE OPERATION OF THE
5 INSURANCE FRAUD DIVISION:

6 (I) SHALL BE SEGREGATED FROM THE REMAINING MONEYS IN
7 THE FUND INTO A SEPARATE FRAUD DIVISION ACCOUNT;

8 (II) SHALL BE USED ONLY FOR THE OPERATION OF THE FRAUD
9 DIVISION; AND

10 (III) MAY NOT BE TRANSFERRED TO FUND ANY OTHER
11 OPERATIONS OF THE MARYLAND INSURANCE ADMINISTRATION.

12 (D) (1) THE STATE TREASURER IS THE CUSTODIAN OF THE FUND.

13 (2) THE STATE TREASURER SHALL DEPOSIT PAYMENTS RECEIVED
14 FROM THE COMMISSIONER INTO THE FUND.

15 (E) (1) THE FUND IS A CONTINUING, NONLAPSING FUND AND IS NOT
16 SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE, AND MAY
17 NOT BE DEEMED A PART OF THE GENERAL FUND OF THE STATE.

18 (2) NO PART OF THE FUND MAY REVERT OR BE CREDITED TO:

19 (I) THE GENERAL FUND OF THE STATE; OR

20 (II) A SPECIAL FUND OF THE STATE, UNLESS OTHERWISE
21 PROVIDED BY LAW.

22 ~~(3) THE STATE TREASURER SHALL DEPOSIT PAYMENTS RECEIVED~~
23 ~~FROM THE COMMISSIONER INTO THE FUND.~~

24 41E.

25 (A) (1) ON OR BEFORE MARCH 1 OF EACH YEAR, EACH INSURER SUBJECT
26 TO THIS SUBTITLE SHALL FILE WITH THE COMMISSIONER A REPORT OF NEW AND
27 RENEWAL GROSS DIRECT WRITTEN PREMIUMS.

28 (2) THE REPORT SHALL BE FILED IN A MANNER AND CONTAIN THE
29 INFORMATION REQUIRED BY THE COMMISSIONER.

30 (B) FAILURE BY AN INSURER TO PAY THE INSURANCE REGULATION FEE ON
31 OR BEFORE ~~JULY 31~~ SEPTEMBER 1 OF EACH YEAR SHALL SUBJECT THE INSURER TO
32 THE PROVISIONS OF §§ 54 AND 55A OF THIS ARTICLE.

33 (C) (1) IF ADDITIONAL AMOUNTS ARE FOUND TO BE DUE AFTER A REPORT
34 HAS BEEN FILED, THE AMOUNTS SHALL BE SUBJECT TO INTEREST AT ~~6%~~ 10% PER
35 YEAR FROM THE TIME THE INSURANCE REGULATION FEE WAS DUE UNTIL
36 PAYMENT IS ACTUALLY MADE TO THE COMMISSIONER.

37 (2) THE COMMISSIONER MAY WAIVE INTEREST UNDER THIS
38 SUBSECTION ON LATE PAYMENTS IF THE INSURER PROVES THAT IT:

16

1 (I) MADE A GOOD FAITH EFFORT TO COMPLY WITH THE
2 REQUIREMENTS OF THIS SECTION; AND

3 (II) EXERCISED DUE DILIGENCE TO INITIATE PAYMENT
4 CORRECTLY AND ON A TIMELY BASIS.

5 (D) THIS SECTION DOES NOT AFFECT ANY REQUIREMENT OTHERWISE
6 ESTABLISHED BY LAW FOR THE PAYMENT OF PREMIUM TAXES BY AN INSURER.

7 41F.

8 THE COMMISSIONER MAY ADOPT REGULATIONS TO IMPLEMENT ANY
9 PROVISION §§ 41A THROUGH 41G OF THIS SUBTITLE.

10 [41A.] 41G.

11 (a) (1) Subject to the approval of the Treasurer and subject to the limitation
12 under paragraph (2) of this subsection, the Commissioner may provide by regulation for
13 the payment of any unpaid premium taxes or [fees] THE UNPAID INSURANCE
14 REGULATION FEE owed by an insurer in funds that are immediately available to the
15 State on the date the payment is due.

16 (2) The Commissioner may not require payment in funds that are
17 immediately available to the State if the total of the unpaid premium tax or [fees] THE
18 UNPAID INSURANCE REGULATION FEE is less than \$20,000.

19 (b) Any regulations adopted by the Commissioner under this section shall
20 establish a suitable means for payment in immediately available funds so as to ensure the
21 availability of those funds to the State on the date of payment.

22 [41B.] 41H.

23 A court may award reimbursement to a prevailing plaintiff against a defendant for
24 a service of legal process fee imposed under [§ 41(18)] § 41(B)(4) of this subtitle in any
25 case against an insurer or surplus line broker.

26 [41C.] 41-I.

27 The Commissioner shall by regulation establish or direct the establishment of a
28 toll-free telephone number to assist and educate consumers concerning the purchase of
29 private passenger automobile insurance. The Commissioner may not recommend specific
30 companies or agents, but may provide to callers educational materials that may include a
31 rate guide or other list of agents and insurers.

32 54.

33 (a) (1) All original and renewal certificates of authority heretofore or hereafter
34 issued to insurers shall, unless previously suspended or revoked, expire at midnight on the
35 [30th day of June] 31ST DAY OF JULY succeeding the date of the issuance of such
36 certificate of authority. Upon payment of the annual [continuation fee provided in § 41]
37 INSURANCE REGULATION FEE UNDER § 41B OF THIS ARTICLE before the expiration
38 date of a certificate of authority, the same shall remain in effect until a new certificate of
39 authority is issued or specifically refused.

17

1 (2) At least 2 months before a certificate of authority expires, the
 2 Commissioner shall send to each insurer holding a certificate of authority under this
 3 article an application to renew the certificate of authority.

4 (b) (1) An insurer shall mail a complete renewal application and the annual
 5 [continuation fee provided in § 41] INSURANCE REGULATION FEE UNDER § 41B OF
 6 THIS ARTICLE on or before [June 30] JULY 31. An insurer that fails to renew its
 7 certificate of authority on or before [June 30] JULY 31 shall forfeit:

8 (i) \$500 for each day from [July 1 through July 10] AUGUST 1
 9 THROUGH AUGUST 10;

10 (ii) \$1,000 for each day from [July 11 through July 31] AUGUST 11
 11 THROUGH AUGUST 31; and

12 (iii) \$5,000 for each day after [July 31] AUGUST 31.

13 (2) In addition to the provisions imposed under paragraph (1) of this
 14 subsection, an insurer that fails to renew its certificate of authority on or before [June
 15 30] JULY 31 in the previous year shall:

16 (i) Renew its certificate of authority on or before [June 1] JULY 1 of
 17 the current year; and

18 (ii) Forfeit \$3,000 if the insurer fails to renew its certificate of
 19 authority on or before [June 30] JULY 31 in the current year.

20 (3) In addition to the monetary penalties imposed under this subsection, on
 21 [July 1] AUGUST 1 of each year, for each insurer that fails to file its renewal application
 22 and [continuation fee] INSURANCE REGULATION FEE on or before [June 30] JULY 31,
 23 the Commissioner may:

24 (i) Order that the insurer cease and desist from engaging further from
 25 the writing of insurance in this State in accordance with § 55 of this article; or

26 (ii) Issue an order to require the insurer to show cause why it should
 27 be allowed to continue to engage in the insurance business in the State.

28 61.

29 (1) When by or pursuant to the laws of any other state or foreign country any
 30 taxes, licenses and other fees OTHER THAN FEES SIMILAR TO THE INSURANCE
 31 REGULATION FEE, in the aggregate, and any fines, penalties, deposit requirements or
 32 other material obligations, prohibitions or restrictions are or would be imposed upon
 33 Maryland insurers, or upon the agents or representatives of such insurers, which are in
 34 excess of such taxes, licenses and other fees, in the aggregate, or which are in excess of
 35 the fines, penalties, deposit requirements or other obligations, prohibitions, or
 36 restrictions directly imposed upon similar insurers, or upon the agents or representatives
 37 of such insurers, of such other state or country under the statutes of this State, so long as
 38 such laws of such other state or country continue in force or are so applied, the same
 39 taxes, licenses and other fees, in the aggregate, or fines, penalties or deposit requirements
 40 or other material obligations, prohibitions, or restrictions of whatever kind shall be
 41 imposed by the Commissioner upon the insurers, or upon the agents or representatives of

18

1 such insurers, of such other state or country doing business or seeking to do business in
2 Maryland. Any tax, license or other fee or other obligation imposed by any city, county, or
3 other political subdivision or agency of such other state or country on Maryland insurers
4 or their agents or representatives shall be deemed to be imposed by such state or country
5 within the meaning of this section. All taxes imposed by this section that are not paid
6 within 30 days after the Commissioner issues the notice of the amount due are subject to
7 a penalty of 5 percent and interest at the rate determined under § 13-604 of the Tax -
8 General Article for each month from the date of the notice that the tax was due.

9 (2) This section shall not apply as to personal income taxes, nor as to ad valorem
10 taxes on real or personal property, nor as to special purpose obligations or assessments
11 imposed by another state in connection with particular kinds of insurance other than
12 property insurance, nor as to assessments imposed by insurance guaranty associations or
13 similar organizations in another state; except that deductions, from premium taxes or
14 other taxes otherwise payable, allowed on account of real estate or personal property
15 taxes paid shall be taken into consideration by the Commissioner in determining the
16 propriety and extent of retaliatory action under this section.

17 (3) For the purposes of this section and subject to the provisions of subsection (4)
18 the domicile of an alien insurer, shall be that state in which is located his principal place
19 of business in the United States.

20 (4) In case of an insurer formed under the laws of Canada or a province thereof,
21 its domicile shall be deemed to be that province in which its head office is situated.

22 (5) Unless the [Department of Labor, Licensing, and Regulation] MARYLAND
23 INSURANCE ADMINISTRATION and the Central Collection Unit of the Department of
24 Budget and Management agree otherwise, the [Department of Labor, Licensing, and
25 Regulation] MARYLAND INSURANCE ADMINISTRATION may not refer to the Unit any
26 action to recover money under this section.

27 168.

28 (f) The Commissioner shall require, and every agent and broker shall file with the
29 Commissioner, in such form as he may direct, [with the fee prescribed in § 41 of this
30 article] the agency or trade names to be used and the business address and the name and
31 residence addresses of each individual possessing a certificate of qualification who does
32 business under that agency or trade name.

33 (g) The Commissioner shall require, and every agent and broker shall file with the
34 Commissioner, in such form as the Commissioner directs, any change or additions to or
35 deletions from the certificate of qualification[, and pay the fee specified in § 41 of this
36 article for each change, addition, or deletion].

37 169.

38 [(a)] All insurers doing business in this State shall on the appointment or
39 termination of any agent, immediately file a notice of appointment or termination in the
40 manner specified by the Commissioner and the reasons for termination. Any disclosure to
41 the Commissioner under this subsection shall be considered a privileged communication
42 and may not be used in evidence in any court action or proceeding other than an appeal
43 from action of the Commissioner.

19

1 [(b) All appointments and terminations shall be accompanied by the fee set out
2 under § 41(5) of this article.]

3 181.

4 (d) [(1) An applicant shall pay the application fee prescribed under § 41(4)(vii)
5 of this article.

6 (2) Once an applicant has been notified that the applicant has passed the
7 examination required under this section or is otherwise eligible to be licensed, the
8 applicant shall submit the applicable license fee prescribed in [§ 41(7)(i) or (ii)] § 41 of
9 this article.

10 (e) (2) To renew a public adjuster's license, a licensee shall submit to the
11 Commissioner:

12 (i) A renewal application in the form prescribed by the
13 Commissioner; and

14 (ii) The biennial license renewal fee prescribed by [§ 41(7)(iii)] § 41
15 of this article.

16 182.

17 (g) (1) [(i) Prior to taking an examination, an applicant shall pay the
18 application fee prescribed under § 41(4)(vii) of this article.

19 (ii)] Once an applicant has been notified that the applicant has passed
20 the examination required under this section, the applicant shall submit the applicable
21 license fee prescribed in [§ 41(8)(i) or (ii)] § 41 of this article.

22 (2) A person not required to take an examination shall pay the applicable
23 license fee prescribed in [§ 41(8)(i) or (ii)] § 41 of this article.

24 (3) To renew an insurance adviser's license, a licensee shall submit to the
25 Commissioner:

26 (i) A renewal application in the form prescribed by the
27 Commissioner; and

28 (ii) The biennial license renewal fee prescribed by [§ 41(8)(iii)] § 41
29 of this article.

30 233A.

31 (a) In this section and §§ 233AB through 233B of this subtitle, inclusive, the
32 following words have the meanings indicated.

33 (B) "ACCOUNT" MEANS THE INSURANCE FRAUD DIVISION ACCOUNT.

34 [(b)] (C) "Fraud Division" means the Insurance Fraud Division of the Maryland
35 Insurance Administration.

36 [(c) "Fund" means the Insurance Fraud Division Fund.]

37 (d) "Insurance fraud" means:

20

1 (1) A violation of § 233 of this article;

2 (2) Theft, as set out under Article 27, §§ 340 through 342 of the Code:

3 (i) From a person regulated under this article; or

4 (ii) By a person regulated under this article or by any officer, director,
5 agent, or employee of any person regulated under this article; or

6 (3) Any other fraudulent activity set out under Article 27 of the Code that is
7 committed by or against a person regulated under this article.

8 233AE.

9 Funding for the Fraud Division shall be as provided in the State budget.

10 233AF.

11 (a) There is an Insurance Fraud Division [Fund] ACCOUNT.

12 (b) The purpose of the [Fund] ACCOUNT is to pay all the costs and expenses
13 incurred by the Insurance Administration related to the operation of the Insurance Fraud
14 Division, including the costs of State employees specifically assigned to the Fraud
15 Division by the Office of Attorney General and the Maryland State Police.

16 (c) The [Fund] ACCOUNT shall consist of:

17 (1) [The fees] THAT PORTION OF THE REGULATION FEE collected and
18 deposited in the [Fund] ACCOUNT by the Commissioner under [§ 640B] § 41D(C) of this
19 article; and

20 (2) Income from investments that the State Treasurer makes for the
21 PORTION OF THE REGULATION FEE DEPOSITED IN THE Insurance Fraud Division
22 [Fund] ACCOUNT.

23 (d) All the costs and expenses of the Insurance Fraud Division shall be included
24 in the State budget and expenditures from the [Fund] ACCOUNT to cover costs and
25 expenses of the Fraud Division may only be made:

26 (1) Pursuant to an appropriation approved by the General Assembly in the
27 annual State budget; or

28 (2) By the budget amendment procedure provided for in [§ 7-109] § 7-209
29 of the State Finance and Procurement Article.

30 [(e) (1) The State Treasurer is the custodian of the Fund.

31 (2) The Fund shall be invested and reinvested in the same manner as State
32 funds.

33 (3) The State Treasurer shall deposit payments received from the Insurance
34 Commissioner into the Fund.

21

1 (f) (1) The Fund is a continuing, nonlapsing fund and is not subject to § 7-302
2 of the State Finance and Procurement Article, and may not be deemed a part of the
3 General Fund.

4 (2) No part of the Fund may revert or be credited to:

5 (i) The General Fund of the State; or

6 (ii) A special fund of the State.]

7 283.

8 (b) The proposed attorney shall fulfill the requirements of and shall execute and
9 file with the Commissioner when applying for a certificate of authority, a declaration
10 setting forth:

11 (1) The name of the insurer;

12 (2) The location of the insurer's principal office and of the office or offices
13 from which policies are to be issued;

14 (3) The kind or kinds of insurance business in which the reciprocal proposes
15 to engage;

16 (4) A power of attorney appointing the Commissioner as agent for service of
17 process as provided by § 57;

18 (5) The names and addresses of the original subscribers;

19 (6) The designation and appointment of the proposed attorney and a copy
20 of the power of attorney;

21 (7) The names and addresses of the officers and directors of the attorney, if
22 a corporation, or its members, if a firm;

23 (8) The powers of the subscribers' advisory committee; and the names and
24 terms of office of the members thereof;

25 (9) That all moneys paid to the reciprocal shall, after deducting therefrom
26 any sum payable to the attorney, be held in the name of the insurer and for the purposes
27 specified in the subscribers' agreements;

28 (10) A copy of the subscribers' agreement;

29 (11) A statement that each of the original subscribers has in good faith
30 applied for insurance of a kind in which the insurer proposes to engage, and that the
31 insurer has received from each such subscriber the full premium or premium deposit
32 required for the policy applied for, for the term of not less than six (6) months at an
33 adequate rate theretofore filed with and approved by the Commissioner;

34 (12) A statement of the financial condition of the insurer, a schedule of its
35 assets, and a statement that the surplus required by § 282, is available; and

36 (13) A copy of each policy, endorsement and application form it then
37 proposes to issue or use.

22

1 Such declaration shall be verified by the oath of the attorney[, and shall contain
2 payment of the fee provided for by § 41 of this article].

3 284.

4 (a) (1) The certificate of authority of a reciprocal insurer shall be issued to its
5 attorney in the name of the reciprocal insurer[, upon payment of the fee provided for by
6 § 41 of this article] UPON RECEIPT OF A COMPLETED APPLICATION.

7 (2) (I) THE CERTIFICATE OF AUTHORITY OF A RECIPROCAL INSURER
8 SHALL EXPIRE ON JULY 31 AND MAY BE RENEWED ANNUALLY.

9 (II) UPON SUBMISSION BY THE RECIPROCAL INSURER OF AN
10 APPLICATION FOR RENEWAL AND PAYMENT OF THE ANNUAL INSURANCE
11 REGULATION FEE UNDER § 41B OF THIS ARTICLE BEFORE THE EXPIRATION DATE OF
12 THE CERTIFICATE OF AUTHORITY, THE SAME SHALL REMAIN IN EFFECT UNTIL A
13 NEW CERTIFICATE OF AUTHORITY IS ISSUED OR SPECIFICALLY REFUSED.

14 307.

15 The certificate of authority of existing societies and all societies hereafter
16 authorized may be renewed annually, but in all cases to terminate on the [30th day of
17 June] 31ST DAY OF JULY. Upon [payment of the fee for renewal provided for in § 41]
18 APPLICATION FOR RENEWAL AND PAYMENT OF THE ANNUAL INSURANCE
19 REGULATION FEE UNDER § 41B OF THIS ARTICLE before the expiration date of a
20 certificate of authority the same shall remain in effect until a new certificate of authority
21 is issued or specifically refused.

22 338.

23 (a) Every society transacting business in this State shall file an annual statement
24 as provided in Section 58 of this article[, and pay a fee of twenty-five dollars (\$25) for
25 filing same].

26 341.

27 (a) The Commissioner, or any person he may appoint, shall have the power of
28 visitation and examination into the affairs of any domestic society and he shall make such
29 examination at least once in every three (3) years. He may employ assistants for the
30 purpose of such examination, and he, or any person he may appoint, shall have free access
31 to all books, papers and documents that relate to the business of the society.

32 (b) In making any such examination the Commissioner may summon and qualify
33 as witnesses under oath and examine its officers, agents and employees or other persons
34 in relation to the affairs, transactions and condition of the society.

35 (c) A summary of the report of the Commissioner and such recommendations or
36 statements of the Commissioner as may accompany such report, shall be read at the first
37 meeting of the board of directors or corresponding body of the society following the
38 receipt thereof, and if directed so to do by the Commissioner, shall also be read at the
39 first meeting of the supreme legislative or governing body of the society following the
40 receipt thereof. A copy of the report, recommendations and statements of the

23

1 Commissioner shall be furnished by the society to each member of such board of directors
2 or other governing body.

3 [(d) The expense of each examination and of each valuation, including
4 compensation and actual expense of examiners, shall be paid by the society examined or
5 whose certificates are valued, upon statements furnished by the Commissioner.]

6 342.

7 The Commissioner, or any person whom he may appoint, may examine any foreign
8 or alien society transacting or applying for admission to transact business in this State. He
9 may employ assistants and he, or any person he may appoint, shall have free access to all
10 books, papers and documents that relate to the business of the society. He may in his
11 discretion accept, in lieu of such examination, the examination of the insurance
12 department of the state, territory, district, province or country where such society is
13 organized. [The compensation and actual expenses of the examiners making any
14 examination or general or special valuation shall be paid by the society examined or by
15 the society whose certificate obligations have been valued, upon statements furnished by
16 the Commissioner.]

17 344.

18 [Every] EXCEPT AS PROVIDED IN SUBTITLE 2 OF THIS ARTICLE, EVERY society
19 organized or licensed under this subtitle is hereby declared to be a charitable and
20 benevolent institution, and all of its funds shall be exempt from all and every State,
21 county, district, municipal and school tax other than taxes on real estate and office
22 equipment.

23 344E.

24 (1) The Commissioner may issue a certificate to any person who has paid [a
25 biennial fee] THE BIENNIAL FEE REQUIRED UNDER § 41 OF THIS ARTICLE and who
26 has complied with the requirements of this subtitle authorizing that person to act as an
27 insurance agent on behalf of any society which is authorized to do business in this State.

28 (3) The Commissioner shall require an applicant to pass a written examination
29 which shall include questions relative only to fraternal insurance, the types of certificates,
30 policies or contracts in general proposed to be solicited under the certificate, and the laws
31 of this State which relate to the activities of a fraternal insurance agent. [The applicant
32 shall pay to the Commissioner a fee of \$15 for each such examination.] No such
33 examination shall be required as to any fraternal insurance agent who is duly licensed or
34 qualified as such in this State immediately prior to July 1, 1985.

35 344F.

36 Every society doing business in this State shall, upon the appointment or
37 termination of the appointment of any insurance agent immediately file a written notice
38 of appointment or termination with the Commissioner. In the case of termination the
39 Commissioner may require societies to file a statement of facts relative to the termination
40 and the date and cause thereof. Every statement made under this section shall be deemed
41 a privileged communication. [The fee for an appointment or a termination shall be as
42 provided in § 41 of this article.]

24

1 353.

2 (a) In addition to the provisions contained in this subtitle, other subtitles and
 3 provisions of this article and of the Corporations and Associations Article and the Estates
 4 and Trusts Article shall apply to fraternal benefit societies, to the extent applicable and
 5 not in conflict with the express provisions of this subtitle and the reasonable implications
 6 thereof, as follows:

7 (1) Subtitle 1 (scope of article).

8 (2) Subtitle 2 (the Commissioner of Insurance), including [§ 41 (fees)] §§ 41
 9 THROUGH 41G OF THIS ARTICLE.

10 (3) The following sections of Subtitle 3 (authorization of insurers and
 11 general requirements):

12 (i) Section 45 (name insurer).

13 (ii) Section 51 (management and affiliations).

14 (4) Section 201 (representing or aiding unauthorized insurer prohibited).

15 (5) Subtitle 15 (unfair trade practices).

16 (6) Subtitle 10 (rehabilitations and liquidations).

17 (7) Subtitle 11, § 172 (temporary licenses).

18 (8) Sections 468B through 468GB, inclusive (Medicare Supplement Act).

19 (9) Section 6-512 of the Corporations and Associations Article (prohibited
 20 pecuniary interest of officials).

21 (10) Section 13-503 of the Estates and Trusts Article (minor may give
 22 acquittance).

23 (11) Sections 77 and 83A.

24 354.

25 Any corporation without capital stock heretofore or hereafter organized for the
 26 purpose of establishing, maintaining and operating a nonprofit health service plan
 27 whereby hospital, medical, chiropodial, chiropractic, pharmaceutical, dental,
 28 psychological or optometric care is provided by a hospital or hospitals, a physician or
 29 physicians, a chiropodist or chiropodists, a chiropractor or chiropractors, a pharmacist or
 30 pharmacists, a dentist or dentists, a duly licensed psychologist or psychologists, or an
 31 optometrist or optometrists, to persons who become subscribers to such plan under
 32 contracts which entitle each subscriber to certain hospital, medical, chiropodial,
 33 chiropractic, pharmaceutical, dental, psychological, or optometric care or any of them,
 34 shall be governed and regulated by:

35 (1) The provisions of this subtitle;

36 (2) Subtitle 2 of this article, INCLUDING §§ 41 THROUGH 41G OF THIS
 37 ARTICLE;

25

- 1 (3) Subtitle 5 of this article;
- 2 (4) Subtitle 6 of this article;
- 3 (5) Subtitles 9A and 10 of this article;
- 4 (6) Subtitle 11 of this article;
- 5 (7) Subtitle 15 of this article;
- 6 (8) Except for §§ 493 and 497, Subtitle 32 of this article;
- 7 (9) Subtitle 34 of this article;
- 8 (10) Sections 55 and 55A of this article; and
- 9 (11) Any other provisions of this article that:
- 10 (i) Are expressly referred to in this subtitle; or
- 11 (ii) Expressly refer to this subtitle.

12 355.

13 (a) No corporation subject to the provisions of this subtitle shall issue contracts
 14 for the rendering of hospital, medical, chiropodial, chiropractic, pharmaceutical, dental,
 15 psychological, or optometric service to subscribers until the Insurance Commissioner has,
 16 by formal certificate or license, authorized it to do so. Application for such certificate of
 17 authority or license shall be made on forms to be supplied by the Insurance Commissioner
 18 containing such information as he shall deem necessary. Each application for such
 19 certificate of authority or license shall [contain payment of the fee provided for by § 41
 20 of this article, and, as a part thereof, shall] be accompanied by copies of the following
 21 documents, duly certified by at least two (2) of the executive officers of such corporation:

- 22 (1) Certificate of incorporation, with all amendments thereto;
- 23 (2) Bylaws, with all amendments thereto;
- 24 (3) Each contract executed or proposed to be executed by and between the
 25 corporation and any hospital, physician, chiropodist, chiropractor, pharmacist, dentist,
 26 psychologist, or optometrist, embodying the terms under which hospital, medical,
 27 chiropodial, chiropractic, pharmaceutical, dental, psychological, or optometric service is
 28 to be furnished to subscribers to the plan;
- 29 (4) Each form of contract issued or proposed to be issued to subscribers to
 30 the plan, together with a table of the rates charged, or proposed to be charged, to
 31 subscribers for each form of such contract;
- 32 (5) Financial statement of the corporation, which shall include the amount
 33 of each contribution paid or agreed to be paid to the corporation for working capital, the
 34 name or names of each contributor and the terms of each contribution;
- 35 (6) A list of the names, addresses, and biographical information of the
 36 members of the board of directors of the nonprofit health service plan; and

26

1 (7) Any other information or documents necessary for the Commissioner to
2 assure compliance with this subtitle.

3 (b) The Insurance Commissioner shall issue a certificate of authority or license to
4 each applicant upon [the payment of the fees provided for by § 41 of this article and
5 upon] being satisfied:

6 (1) That the applicant has been organized bona fide for the purpose of
7 establishing, maintaining and operating a nonprofit health service plan;

8 (2) That each contract executed, or proposed to be executed, by the
9 applicant and any hospital, physician, chiropodist, chiropractor, pharmacist, dentist,
10 psychologist, or optometrist, for the furnishing of hospital, medical, chiropodial,
11 chiropractic, pharmaceutical, dental, psychological, or optometric service to the
12 subscribers to the health service plan, obligates, or will when executed, obligate each
13 hospital, physician, chiropodist, chiropractor, pharmacist, dentist, psychologist, or
14 optometrist party thereto to render the service to which each subscriber may be entitled
15 under the terms and conditions of the various contracts issued, or proposed to be issued,
16 by the applicant to subscribers to the plan, and that each subscriber shall be entitled to
17 reimbursement for any such chiropodial, chiropractic, psychological, or optometric
18 service, whether the said service is performed by a doctor of medicine, duly licensed
19 chiropodist, chiropractor, duly licensed optometrist or duly licensed psychologist, as the
20 case may be;

21 (3) That each contract issued, or proposed to be issued, to subscribers to the
22 plan is in a form approved by the Insurance Commissioner, and that the rates charged, or
23 proposed to be charged, for each form of such contract are fair and reasonable; and

24 (4) That the applicant has a surplus, as defined in § 355A of this subtitle, of
25 the greater of:

26 (i) \$100,000; or

27 (ii) An amount equal to that required under § 355A of this subtitle.

28 356.

29 (a) No corporation subject to the provisions of this subtitle shall amend its
30 certificate of incorporation, its bylaws, or the terms and provisions of contracts issued, or
31 proposed to be issued, to subscribers of the plan, until such proposed amendments have
32 been first submitted to, and approved by, the Insurance Commissioner[, and payment
33 made of the fees provided for by § 41 of this article]; nor shall any change be made in the
34 table of rates charged, or proposed to be charged, to subscribers for any form of contract
35 issued or to be issued for hospital, medical, chiropodial, chiropractic, pharmaceutical,
36 dental, psychological, or optometric care until such proposed change has been submitted
37 to, and approved by, the Insurance Commissioner. Each amendment shall be on file for a
38 waiting period of 60 days before it becomes effective. When in the Commissioner's
39 opinion an amendment is not accompanied by the information needed to support it and
40 the Commissioner does not have sufficient information to determine whether the filing
41 meets the requirements of this section, the nonprofit health service plan shall be required
42 to furnish the needed information and in this event the waiting period shall be suspended
43 and shall recommence as of the date the information is furnished. Upon written

27

1 application by the nonprofit health service plan, the Commissioner may authorize an
 2 amendment which he has reviewed to become effective before the expiration of the
 3 waiting period or any extension thereof or at any later date. A filing shall be deemed
 4 approved unless disapproved by the Commissioner within the waiting period or any
 5 extension thereof. The Commissioner shall disapprove or modify the proposed change or
 6 changes if the table of rates appears by statistical analysis and reasonable assumptions to
 7 be excessive in relation to benefits, or if the form contains provisions which are unjust,
 8 unfair, inequitable, inadequate, misleading, deceptive, or encourage misrepresentations
 9 of the coverage. In determining whether to disapprove or modify the form or table of
 10 rates, the Commissioner shall give due consideration to past and prospective loss
 11 experience within and outside this State, to underwriting practice and judgment to the
 12 extent appropriate, to a reasonable margin for reserve needs, to past and prospective
 13 expenses both countrywide and those specifically applicable to this State, and to all other
 14 relevant factors within and outside this State.

15 Upon the adoption of any such amendment or change, following its approval by the
 16 Insurance Commissioner, such corporation shall file a copy thereof with the Insurance
 17 Commissioner, duly certified to by at least two (2) of the executive officers of such
 18 corporation.

19 357A.

20 (a) (1) On or before March 1 of each year, a nonprofit health service plan shall
 21 file with the Commissioner a true statement of its financial condition, transactions, and
 22 affairs for the immediately preceding calendar year.

23 (2) The statement shall:

24 (i) Contain the information required by the Commissioner; and

25 (ii) Be certified to by an independent certified public accountant.

26 (3) [The fee provided for by § 41 of this article shall be submitted at the
 27 same time as the statement.

28 (4) Any nonprofit health service plan failing to file the statement required
 29 under this subsection by March 10 shall forfeit:

30 (i) \$100 for each day up to and including March 10; and

31 (ii) \$150 for each day after March 10 until the statement is filed with
 32 the Commissioner.

33 [[5]] (4) The Commissioner may extend the time for filing for good cause.

34 [[6]] (5) The penalties provided under paragraph [[(4)(i)] (3)(I) of this
 35 subsection do not apply if the nonprofit health service plan has obtained an extension
 36 from the Commissioner for filing the required statement.

37 (6) IN ORDER TO MAINTAIN A CERTIFICATE OF AUTHORITY, A
 38 NONPROFIT HEALTH SERVICE PLAN SHALL COMPLY WITH THE PROVISIONS OF §§ 41
 39 THROUGH 41G OF THIS ARTICLE.

28

1 583.

2 [(d) On filing an application for a certificate of authority, the dental plan
3 organization shall pay a fee of \$200 to the Commissioner.]

4 585.

5 (c) A certificate of authority shall expire on [June 30] JULY 31 following the date
6 of issuance or previous renewal. If the dental plan organization remains in compliance
7 with this subtitle and [has paid a renewal fee of \$100] WITH §§ 41 THROUGH 41G OF
8 THIS ARTICLE, its certificate shall be renewed.

9 609.

10 (f) The Commissioner [may]:

11 (1) [Require] MAY REQUIRE actuarial studies and audits to determine
12 each group's financial solvency as often as the Commissioner considers desirable;

13 (2) [Assess each self-insurance group an annual sum of not more than \$500
14 to be used for the actuarial studies and audits] SHALL REQUIRE THAT, AS A
15 CONDITION OF THE COMMISSIONER'S APPROVAL OF ITS CONTINUED OPERATION IN
16 THE STATE, EACH GROUP MUST PAY THE INSURANCE REGULATION FEE SET OUT
17 UNDER §§ 41 THROUGH 41G OF THIS ARTICLE; and

18 (3) [Require] MAY REQUIRE an annual report that may include payroll
19 audit reports, summary loss reports, and quarterly financial statements.

20 634.

21 [(a) Every life insurance company having its home office in this State shall be
22 entitled to credit against the total amount of the taxes payable by it under this subtitle,
23 the amount of fees paid by it in the preceding calendar year to the Insurance
24 Commissioner of this State for valuing life insurance policies, but such credit shall not
25 exceed 15% of the total amount of the taxes which would have been payable if the credit
26 allowed by this section were not allowed.

27 (b) A person that is subject to the tax imposed under this subtitle may claim a
28 credit against the tax for neighborhood and community assistance contributions as
29 provided under Article 83B, § 4-704 of the Code.

30 637.

31 (d) (1) Subject to paragraph (2) of this subsection, if an insurer that is required
32 under [§ 41A] § 41G of this article to pay a premium tax on or before the due date in
33 immediately available funds fails to do so, the Commissioner shall assess interest and a
34 penalty as provided under subsection (b) of this section on the unpaid premium tax from
35 the date the tax is due to the date on which the funds from the tax payment become
36 available to the State.

37 (2) The Commissioner may waive interest and penalties under this
38 subsection on late payments if the insurer required to pay the premium tax proves that
39 the insurer:

29

1 (i) Made a good faith effort to comply with the requirements of this
2 subsection; and

3 (ii) Exercised due diligence to initiate payment correctly and on a
4 timely basis.

5 (3) This subsection does not affect any requirement otherwise established by
6 law for the payment of premium taxes or [licensing fees] THE INSURANCE
7 REGULATION FEE by an insurer.

8 [640A.

9 (a) The Commissioner shall collect an annual fraud prevention fee as provided in
10 this subtitle.

11 (b) The fraud prevention fee is in addition to any fees, penalties, charges, or
12 premium taxes imposed under this article.]

13 [640B.

14 (a) (1) The fraud prevention fee is due and payable on or before October 1 of
15 each year.

16 (2) The Commissioner shall collect the fraud prevention fee.

17 (b) The total amount of the fraud prevention fee collected by the Commissioner
18 shall be deposited in the Insurance Fraud Division Fund for the sole purpose of funding
19 the activities of the Insurance Fraud Division.]

20 [640C.

21 The fraud prevention fee shall be:

22 (1) For each insurer or other entity authorized to operate in the State under
23 this article:

24 (i) In 1995, \$750; and

25 (ii) In 1996, and thereafter, \$1,000; and

26 (2) \$10 for each agent licensed by the Commissioner.]

27 [640D.

28 The Commissioner may adopt regulations to implement any provision of this
29 subtitle.]

30 722.

31 To add a name to a license or delete a name from a license, the licensee shall[:

32 (1) Submit] SUBMIT to the Commissioner the change in the form that the
33 Commissioner requires[; and

34 (2) Pay to the Commissioner a fee of \$10].

30

1 **Article - Health - General**

2 [19-709.

3 (a) When a health maintenance organization files its initial application for a
4 certificate of authority to operate, it shall pay to the Commissioner a fee of \$300.

5 (b) In addition to the fee required under subsection (a) of this section, each
6 health maintenance organization shall pay a reasonable sum that the Commissioner finds
7 to be the cost of the investigations made by the Commissioner and the Department as
8 required under this subtitle.]

9 19-711.

10 (a) Within 90 days after the filing of an application for a certificate of authority to
11 operate as a health maintenance organization, the Commissioner shall issue the
12 certificate of authority to the applicant if:

13 (1) The application conforms with § 19-708 of this subtitle;

14 (2) [The applicant has paid the fees required by § 19-709 of this subtitle;

15 (3)] The Department has advised in writing that the health maintenance
16 organization's proposed health-related services, operations, and functions that fall under
17 the regulatory jurisdiction of the Department appear to meet its requirements or are
18 approved by the Department; and

19 [(4)] (3) The Commissioner is satisfied that the requirements of § 19-710 of
20 this subtitle are met.

21 19-721.

22 (a) Unless previously suspended or revoked, each original and renewal certificate
23 of authority issued under this subtitle to a health maintenance organization expires at
24 midnight on the ~~November 30~~ JUNE 1 after its effective date.

25 (b) On payment of [an annual renewal fee of \$25] THE INSURANCE
26 REGULATION FEE REQUIRED UNDER ARTICLE 48A, §§ 41 THROUGH 41G OF THE
27 CODE by the health maintenance organization before the expiration date of its certificate
28 of authority, its certificate remains in effect until a new certificate of authority is issued or
29 specifically refused.

30 19-727.

31 (a) Except as provided in subsection (b) of this section, a health maintenance
32 organization is not exempted from any State, county, or local taxes solely because of this
33 subtitle.

34 (b) (1) Each health maintenance organization that is authorized to operate
35 under this subtitle is exempted from paying the premium tax imposed under Article 48A,
36 [§ 632] SUBTITLE 47 of the Code.

37 (2) Premiums received by an insurer under policies that provide health
38 maintenance organization benefits are not subject to the premium tax imposed under
39 Article 48A, [§ 632] SUBTITLE 47 of the Code to the extent:

31

1 (i) Of the amounts actually paid by the insurer to a nonprofit health
2 maintenance organization that operates only as a health maintenance organization; or

3 (ii) The premiums have been paid by that nonprofit health
4 maintenance organization.

5 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
6 read as follows:

7 **Article - Insurance**

8 2-110.

9 (a) As early in each fiscal year as is reasonably possible the Commissioner shall
10 prepare an annual report about the previous fiscal year that includes:

11 (1) a list of the authorized insurers transacting insurance business in the
12 State, with any summary of their financial statements that the Commissioner considers
13 appropriate;

14 (2) the name of each insurer whose business was closed during the year, the
15 cause of the closure, and the amount of assets and liabilities of the insurer that is
16 ascertainable;

17 (3) the name of each insurer against whom delinquency or similar
18 proceedings were initiated, a concise statement of facts about each delinquency or similar
19 proceeding, and the status of each proceeding;

20 (4) (I) a list of the rulings and decisions made in cases before the
21 Administration during the year; AND

22 (II) A STATEMENT OF THE AMOUNT OF THE INSURANCE
23 REGULATION FEE DEPOSITED INTO THE INSURANCE REGULATION FUND;

24 (5) a statement of all fees, taxes, and administrative fines and penalties
25 received by the Commissioner and deposited into the General Fund of the State;

26 (6) the ratio of complaints filed during the calendar year against each
27 insurer for each major line of insurance written by the insurer and a summary of the
28 resolution of the complaints;

29 (7) recommendations of the Commissioner about changes in the laws
30 affecting insurance and about matters affecting the Administration; and

31 (8) any other relevant information that the Commissioner considers proper.

32 [2-112.

33 (a) Fees for the following certificates, licenses, and services shall be collected in
34 advance by the Commissioner, and shall be paid by the appropriate persons to the
35 Commissioner:

36 (1) fees for certificates of authority:

1	(i) application fee for initial certificate of authority, including filing	
2	the application, articles of incorporation and other charter documents, except as provided	
3	in item (2) of this subsection, bylaws, financial statement, examination report, power of	
4	attorney to the Commissioner, and all other documents and filings in connection with the	
5	application.....	\$1,000
6	(ii) fee for initial certificate of authority.....	\$200
7	(iii) fee for annual renewal of certificate of authority for all foreign	
8	insurers and for domestic insurers with their home or executive office in the State.....	\$500
9	(iv) fee for annual renewal of certificate of authority for domestic	
10	insurers with their home or executive office outside the State, except those domestic	
11	insurers that had their home or executive office outside the State before January 1, 1929:	
12	1. with premiums written in the most recent calendar year not	
13	exceeding \$500,000.....	\$2,500
14	2. with premiums written in the most recent calendar year not	
15	exceeding \$1,000,000.....	\$5,000
16	3. with premiums written in the most recent calendar year not	
17	exceeding \$2,000,000.....	\$7,000
18	4. with premiums written in the most recent calendar year not	
19	exceeding \$5,000,000.....	\$9,000
20	5. with premiums written in the most recent calendar year of	
21	more than \$5,000,000.....	\$11,000
22	(v) reinstatement of certificate of authority.....	\$500
23	(2) fees for articles of incorporation of a domestic insurer or foreign insurer,	
24	exclusive of fees required to be paid to the Department of Assessments and Taxation:	
25	(i) fee for filing the articles of incorporation with the Commissioner	
26	for approval.....	\$25
27	(ii) fee for amendment of the articles of incorporation.....	\$10
28	(3) fees for filing bylaws or amendments to bylaws with the	
29	Commissioner.....	\$10
30	(4) fees for certificates of qualification:	
31	(i) agent certificate of qualification:	
32	1. fee for initial certificate within 1 year of renewal.....	\$25
33	2. fee for initial certificate over 1 year from renewal.....	\$50
34	3. biennial renewal fee.....	\$50
35	(ii) broker certificate of qualification:	
36	1. fee for initial certificate within 1 year of renewal.....	\$40

33

1 2. fee for initial certificate over 1 year from renewal.....\$80

2 3. biennial renewal fee.....\$80

3 (iii) application fee.....\$25

4 (iv) managing general agent certificate of qualification:

5 1. fee for initial certificate.....\$30

6 2. annual renewal fee.....\$30

7 (v) surplus lines broker certificate of qualification:

8 1. fee for initial certificate within 1 year of renewal.....\$100

9 2. fee for initial certificate over 1 year from renewal.....\$100

10 3. biennial renewal fee.....\$200

11 (5) fees for appointments:

12 (i) fee for filing notice of each initial appointment.....\$25

13 (ii) fee for filing notice of each termination.....\$25

14 (6) fee for temporary certificates of qualification and appointments:

15 (i) agents.....\$25

16 (ii) brokers.....\$40

17 (7) fee for approval by the Commissioner of continuing education
18 courses.....\$50

19 (8) fees for licenses:

20 (i) public adjuster license:

21 1. fee for initial license within 1 year of renewal.....\$25

22 2. fee for initial license over 1 year from renewal.....\$50

23 3. biennial renewal fee.....\$50

24 (ii) adviser license:

25 1. fee for initial license within 1 year of renewal.....\$100

26 2. fee for initial license over 1 year from renewal.....\$200

27 3. biennial renewal fee.....\$200

28 (9) fee for each insurance vending machine license, for each machine, every
29 second year.....\$50

30 (10) fees for valuing life insurance policies, other than group or credit:

34

- 1 (i) for the first \$14,000,000 of insurance or any fractional part of
- 2 insurance.....\$350
- 3 (ii) for each additional \$1,000,000 of insurance or any fractional part
- 4 of insurance.....\$25
- 5 (11) fees for valuing group life insurance policies other than credit, per
- 6 million of insurance or any fractional part of insurance.....\$3
- 7 (12) fees for valuing individual and group credit life insurance policies, per
- 8 million of insurance or any fractional part of insurance.....\$12
- 9 (13) fees for valuing the reserve liabilities for outstanding annuity contracts,
- 10 per million of reserve or any fractional part of reserve.....\$25
- 11 (14) fees for filing the annual statement by an unauthorized insurer applying
- 12 for approval to become an accepted insurer or applying for approval to become an
- 13 accepted reinsurer or surplus lines carrier or both\$1,000
- 14 (15) fees for form and rate filings under §§ XX-XXX, XX-XXX, XX-XXX,
- 15 XX-XXX, XX-XXX, and XX-XXX of this article [48A §§ 242, 242A, 334, 356, 375, and
- 16 436H].....\$100
- 17 (16) service of legal process fee under §§ 3-318(b), 3-319(d), and 4-107 of
- 18 this article.....\$15

19 (b) A court may award reimbursement of a service of process fee imposed under
20 subsection (a)(16) of this section to a prevailing plaintiff in any proceeding against an
21 insurer or surplus lines broker.]

22 2-112.

23 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
24 INDICATED.

25 (2) "INSURANCE PROFESSIONAL" MEANS AN AGENT, BROKER,
26 MANAGING GENERAL AGENT, SURPLUS LINES BROKER, PUBLIC ADJUSTER, OR
27 INSURANCE ADVISER WHO HAS A VALID CERTIFICATE OF QUALIFICATION.

28 (3) "CERTIFICATE OF QUALIFICATION" INCLUDES A LICENSE.

29 (B) (1) THE COMMISSIONER SHALL COLLECT THE FEES SET OUT IN THIS
30 SUBSECTION IN ADVANCE FROM THE PERSONS LISTED.

31 (2) INSURANCE PROFESSIONALS:

32 (I) ORIGINAL CERTIFICATE OF QUALIFICATION WITHIN 1 YEAR
33 OF RENEWAL.....~~\$ 45.00~~ \$ 35.00

34 (II) ORIGINAL CERTIFICATE OF QUALIFICATION OVER 1 YEAR
35 FROM RENEWAL.....\$ 70.00

36 (III) BIENNIAL RENEWAL OR CONTINUATION OF CERTIFICATE OF
37 QUALIFICATION.....~~\$ 70.00~~ \$ 65.00

35

1 (3) TEMPORARY CERTIFICATES OF QUALIFICATION:

2 (I) AGENTS.....\$ 45.00

3 (II) BROKERS.....\$ 60.00

4 (4) SERVICE OF LEGAL PROCESS UNDER §§ 3-318(B) AND 4-107 OF THIS
5 ARTICLE.....\$ 15.00

6 (5) COPIES OF DOCUMENTS ON FILE IN THE COMMISSIONER'S OFFICE
7 PER PAGE.....\$ 0.25

8 (C) A COURT MAY AWARD REIMBURSEMENT OF A SERVICE OF PROCESS FEE
9 IMPOSED UNDER SUBSECTION (B)(4) OF THIS SECTION TO A PREVAILING PLAINTIFF
10 IN ANY PROCEEDING AGAINST AN INSURER OR SURPLUS LINES BROKER.

11 2-113.

12 (a) Subject to the approval of the Treasurer, the Commissioner may provide by
13 regulation for the payment of unpaid premium taxes or [fees] THE UNPAID INSURANCE
14 REGULATION FEE owed by an insurer in funds that are immediately available to the
15 State on the date that the payment is due if the total of the unpaid premium taxes or fees
16 is at least \$20,000.

17 [2-114.

18 (a) Except as provided in subsections (b) and (c) of this section, the
19 Commissioner shall pay all money collected under this article into the General Fund of
20 the State.

21 (b) The Commissioner shall pay all money collected for travel expenses and living
22 expense allowance under § 2-208(1) of this article into a special revolving fund held by
23 the Comptroller for the sole purpose of paying the costs of examinations of insurers.

24 (c) The following moneys may not be considered general funds of the State and
25 shall be deposited in the Insurance Fraud Division Fund:

26 (1) revenue derived from the annual fraud prevention fee under § X-XXX
27 [48A § 640B] of this article; and

28 (2) income from investments that the State Treasurer makes for the
29 Insurance Fraud Division Fund.]

30 2-114.

31 (A) THE FOLLOWING MONEYS SHALL BE CONSIDERED GENERAL FUNDS OF
32 THE STATE:

33 (1) ALL REVENUE RECEIVED UNDER TITLE 6, SUBTITLE 1 OF THIS
34 ARTICLE;

35 (2) ALL REVENUE RECEIVED UNDER §§ X-XXX [(48A § 61)], 3-324, AND
36 4-209 OF THIS ARTICLE; AND

36

1 (3) ALL PENALTIES IMPOSED BY THE COMMISSIONER, INCLUDING
2 PENALTIES IMPOSED UNDER:

3 (I) SECTIONS 4-113(D), 4-212, 10-126(C), 14-140, 23-208, AND 23-506 OF
4 THIS ARTICLE;

5 (II) TITLE 11, SUBTITLE 2 OF THIS ARTICLE;

6 (III) TITLE 26 OF THIS ARTICLE;

7 (IV) TITLE 27, SUBTITLE 3 OF THIS ARTICLE; AND

8 (V) TITLE 19, SUBTITLE 7 OF THE HEALTH - GENERAL ARTICLE.

9 (B) THE FOLLOWING MONEYS MAY NOT BE CONSIDERED GENERAL FUNDS
10 OF THE STATE AND SHALL BE DEPOSITED INTO THE INSURANCE REGULATION
11 FUND:

12 (1) ALL REVENUE RECEIVED THROUGH THE IMPOSITION OF THE
13 INSURANCE REGULATION FEE;

14 (2) ALL REVENUE FROM THE IMPOSITION OF FEES ON PERSONS OTHER
15 THAN INSURERS; AND

16 (3) INCOME FROM INVESTMENTS THAT THE STATE TREASURER MAKES
17 FOR THE FUND.

18 2-208.

19 The expense incurred in an examination made under § 2-205 of this subtitle, §
20 2-206 of this subtitle for surplus lines brokers [and insurance holding corporations,] or §
21 23-207 of this article for premium finance companies shall be paid by the person
22 examined in the following manner:

23 (1) the person examined shall pay to the Commissioner the travel expenses,
24 a living expense allowance, and a per diem as compensation for examiners, actuaries, and
25 typists:

26 (i) to the extent incurred for the examination; and

27 (ii) at reasonable rates set by the Commissioner;

28 (2) the Commissioner may present a detailed account of expenses incurred
29 to the person examined periodically during the examination or at the end of the
30 examination, as the Commissioner considers proper; and

31 (3) a person may not pay and an examiner may not accept any compensation
32 for an examination in addition to the compensation under paragraph (1) of this section.

33 2-401.

34 (a) In this subtitle the following words have the meanings indicated.

35 (B) "ACCOUNT" MEANS THE INSURANCE FRAUD DIVISION ACCOUNT.

37

1 [(b)] (C) "Fraud Division" means the Insurance Fraud Division in the
2 Administration.

3 [(c) "Fund" means the Insurance Fraud Division Fund.]

4 (d) "Insurance fraud" means:

5 (1) a violation of Title 27, Subtitle 4 of this article;

6 (2) theft, as set out under Article 27, §§ 340 through 342 of the Code:

7 (i) from a person regulated under this article; or

8 (ii) by a person regulated under this article or an officer, director,
9 agent, or employee of a person regulated under this article; or

10 (3) any other fraudulent activity set out under Article 27 of the Code that is
11 committed by or against a person regulated under this article.

12 2-402.

13 (b) Funding for the Fraud Division shall be as provided in the State budget.

14 2-407.

15 (a) There is an Insurance Fraud Division [Fund] ACCOUNT.

16 (b) The purpose of the [Fund] ACCOUNT is to pay all costs and expenses
17 incurred by the Administration related to the operation of the Fraud Division, including
18 the costs of State employees specifically assigned to the Fraud Division by the Office of
19 the Attorney General and Department of State Police.

20 (c) The [Fund] ACCOUNT shall consist of:

21 (1) [the fees] THAT PORTION OF THE REGULATION FEE collected and
22 deposited in the [Fund] ACCOUNT by the Commissioner under [§ 6-202] § 2-504(C) of
23 this [article] TITLE; and

24 (2) income from investments that the State Treasurer makes for the [Fund]
25 PORTION OF THE REGULATORY FEE DEPOSITED IN THE ACCOUNT.

26 (d) (1) All costs and expenses of the Fraud Division shall be included in the
27 State budget.

28 (2) Expenditures from the [Fund] ACCOUNT to cover costs and expenses
29 of the Fraud Division may only be made:

30 (i) pursuant to an appropriation approved by the General Assembly in
31 the annual State budget; or

32 (ii) by the budget amendment procedure provided for in [§ 7-109] §
33 7-209 of the State Finance and Procurement Article.

34 [(e) (1) The State Treasurer is the custodian of the Fund.
r [§ 6-202] § 2-504(C) of

23 t

38

1 (2) The Fund shall be invested and reinvested in the same manner as State
2 funds.

3 (3) The State Treasurer shall deposit payments received from the
4 Commissioner into the Fund.

5 (f) (1) The Fund is a continuing, nonlapsing fund and is not subject to § 7-302
6 of the State Finance and Procurement Article, and may not be deemed a part of the
7 General Fund.

8 (2) No part of the Fund may revert or be credited to:

9 (i) the General Fund of the State; or

10 (ii) a special fund of the State.]

11 SUBTITLE 5. INSURANCE REGULATION FEE.

12 2-501.

13 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
14 INDICATED.

15 (B) "FUND" MEANS THE INSURANCE REGULATION FUND.

16 (C) (1) "INSURER" MEANS AN INSURER OR OTHER ENTITY AUTHORIZED TO
17 ENGAGE IN BUSINESS IN THE STATE UNDER A CERTIFICATE OF AUTHORITY OR
18 LICENSE ISSUED BY THE COMMISSIONER.

19 (2) "INSURER" INCLUDES:

20 (I) A HEALTH MAINTENANCE ORGANIZATION OPERATING UNDER
21 A CERTIFICATE OF AUTHORITY ISSUED BY THE COMMISSIONER UNDER TITLE 19,
22 SUBTITLE 7 OF THE HEALTH - GENERAL ARTICLE;

23 (II) A NONPROFIT HEALTH SERVICE PLAN OPERATING UNDER
24 TITLE 14, SUBTITLE 1 OF THIS ARTICLE;

25 (III) A DENTAL PLAN REGULATED UNDER TITLE 14, SUBTITLE 4 OF
26 THIS ARTICLE;

27 (IV) A FRATERNAL BENEFIT SOCIETY REGULATED UNDER TITLE 8,
28 SUBTITLE 4 OF THIS ARTICLE;

29 (V) A RECIPROCAL INSURER;

30 (VI) THE MARYLAND AUTOMOBILE INSURANCE FUND; AND

31 (VII) A SELF-INSURANCE GROUP OPERATING UNDER TITLE 25,
32 SUBTITLE 3 OF THIS ARTICLE.

33 (D) (1) "PREMIUMS" HAS THE MEANING STATED IN § 1-101 OF THIS ARTICLE
34 TO THE EXTENT IT IS ALLOCABLE TO THIS STATE AND WRITTEN DURING THE
35 PRECEDING CALENDAR YEAR.

39

1 (2) "PREMIUMS" INCLUDES ANY AMOUNTS PAID TO A HEALTH
2 MAINTENANCE ORGANIZATION AS COMPENSATION ~~ON A PREDETERMINED~~
3 ~~PERIODIC RATE BASIS~~ FOR PROVIDING TO MEMBERS THE SERVICES SPECIFIED
4 UNDER ~~§§ 19-701(D)(2) AND 19-706(E)~~ TITLE 19, SUBTITLE 7 OF THE HEALTH -
5 GENERAL ARTICLE TO THE EXTENT IT IS ALLOCABLE TO THIS STATE AND WRITTEN
6 DURING THE PRECEDING CALENDAR YEAR .

7 2-502.

8 (A) THE COMMISSIONER SHALL COLLECT AN ANNUAL INSURANCE
9 REGULATION FEE AS PROVIDED IN § 2-503 OF THIS SUBTITLE.

10 (B) THE INSURANCE REGULATION FEE IS:

11 (1) EXCEPT WHERE SPECIFIED IN LAW, IN LIEU OF ALL OTHER FEES
12 IMPOSED ON INSURERS;

13 (2) IN ADDITION TO ANY PENALTIES OR PREMIUM TAX IMPOSED
14 UNDER THIS ARTICLE; AND

15 (3) DUE AND PAYABLE BY AN INSURER ON OR BEFORE JULY 31 OF
16 EACH YEAR.

17 (C) THE TOTAL AMOUNT OF THE INSURANCE REGULATION FEE COLLECTED
18 BY THE COMMISSIONER SHALL BE DEPOSITED IN THE FUND.

19 2-503.

20 (A) (1) ~~THE TOTAL INSURANCE REGULATION FEE IS APPORTIONED IN~~
21 ~~RELATION TO THE BURDEN ON THE STATE TO ADEQUATELY AND APPROPRIATELY~~
22 ~~REGULATE THE INSURANCE BUSINESS ENGAGED IN BY INSURERS WITHIN THE~~
23 ~~STATE~~ THE INSURANCE REGULATION FEE SHALL BE AN AMOUNT THAT WILL BE
24 ADEQUATE TO PROPERLY REGULATE THE INSURANCE BUSINESS IN THE STATE .

25 (2) THE INSURANCE REGULATION FEE MAY NOT BE ~~CONSTRUED AS A~~
26 USED TO LEVY OR EXCISE A TAX ON PREMIUMS FOR THE PURPOSE OF RAISING
27 GENERAL REVENUE FOR THE STATE.

28 (B) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, ~~IN ORDER TO~~
29 ~~PROPERLY REFLECT THE REGULATORY BURDEN IMPOSED BY EACH INSURER~~
30 ~~ENGAGED IN THE INSURANCE BUSINESS IN THE STATE, THE INSURANCE~~
31 ~~REGULATION FEE SHALL BE EXPRESSED AS A PERCENTAGE OF ALL NEW AND~~
32 ~~RENEWAL GROSS DIRECT PREMIUMS WRITTEN BY AN INSURER SUBJECT TO THE~~
33 ~~INSURANCE REGULATION FEE DURING THE IMMEDIATELY PRECEDING CALENDAR~~
34 ~~YEAR~~ EACH INSURER SHALL PAY AN INSURANCE REGULATION FEE THAT IS THE
35 PRODUCT OF THE INSURER'S ADJUSTED GROSS DIRECT PREMIUM, TO THE EXTENT
36 ALLOCABLE TO THIS STATE AND WRITTEN IN THE STATE DURING THE PRECEDING
37 CALENDAR YEAR, MULTIPLIED BY THE BASE ASSESSMENT RATE DETERMINED
38 UNDER SUBSECTION (D) OF THIS SECTION .

39 (2) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS
40 PARAGRAPH, THE MINIMUM INSURANCE REGULATION FEE SHALL BE \$2,500.

40

1 (II) FOR FRATERNAL BENEFIT SOCIETIES AND WORKERS'
2 COMPENSATION SELF-INSURANCE GROUPS, THE MINIMUM INSURANCE
3 REGULATION FEE SHALL BE \$1,500.

4 (C) IN DETERMINING ADJUSTED PREMIUMS SUBJECT TO THE INSURANCE
5 REGULATION FEE, THE FOLLOWING DEDUCTIONS SHALL BE MADE FROM GROSS
6 DIRECT WRITTEN PREMIUMS:

7 (1) RETURNED PREMIUMS, BUT NOT INCLUDING SURRENDER VALUES;

8 (2) RETURNS OR REFUNDS MADE OR CREDITED TO POLICYHOLDERS
9 BECAUSE OF RETROSPECTIVE RATINGS OR SAFE DRIVER AWARDS; AND

10 (3) ANY OTHER DEDUCTION THAT THE COMMISSIONER CONSIDERS
11 REASONABLE.

12 (D) (1) THE BASE ASSESSMENT RATE SHALL EQUAL THE FRACTION
13 OBTAINED BY DIVIDING THE TOTAL REGULATORY COST, MINUS THE SUM OF ALL
14 REVENUE PROJECTED TO BE COLLECTED BY THE COMMISSIONER UNDER § 41D(A)(2)
15 OF THIS SUBTITLE AND ANY FUND BALANCE CARRIED FORWARD FROM THE
16 PREVIOUS FISCAL YEAR, BY THE TOTAL AMOUNT OF ADJUSTED NEW AND RENEWAL
17 GROSS DIRECT PREMIUMS WRITTEN IN THE STATE BY ALL INSURERS.

18 (2) THE BASE ASSESSMENT RATE FOR THE REGULATORY FEE MAY NOT
19 EXCEED 0.0015 OF THE TOTAL AMOUNT OF ADJUSTED NEW AND RENEWAL GROSS
20 DIRECT PREMIUMS WRITTEN IN THE STATE BY ALL INSURERS.

21 ~~(E) THE INSURANCE REGULATION FEE CHARGED TO EACH INSURER SHALL~~
22 ~~EQUAL THE PRODUCT OF MULTIPLYING THE INSURER'S GROSS DIRECT WRITTEN~~
23 ~~PREMIUMS BY THE BASE ASSESSMENT RATE.~~

24 2-504.

25 (A) THERE IS AN INSURANCE REGULATION FUND THAT CONSISTS OF:

26 (1) ALL REVENUE RECEIVED THROUGH THE IMPOSITION OF THE
27 INSURANCE REGULATION FEE;

28 ~~(2) ALL REVENUE FROM THE IMPOSITION OF ALL OTHER FEES~~
29 ~~SPECIFIED AGAINST PERSONS OR ENTITIES OTHER THAN INSURERS UNDER THIS~~
30 ~~ARTICLE; AND~~

31 (2) ALL REVENUE FROM THE IMPOSITION OF:

32 (I) FEES LISTED UNDER § 2-112 OF THIS TITLE; AND

33 (II) ALL OTHER FEES CHARGED AGAINST ENTITIES OTHER THAN
34 INSURERS UNDER THIS ARTICLE AND THE HEALTH - GENERAL ARTICLE; AND

35 (3) INCOME FROM INVESTMENTS THAT THE STATE TREASURER MAKES
36 FOR THE FUND.

37 (B) THE PURPOSE OF THE FUND IS TO PAY ALL THE COSTS AND EXPENSES
38 INCURRED BY THE ADMINISTRATION RELATED TO THE REGULATION OF THE

41

1 INSURANCE ACTIVITIES OF ALL INSURERS THAT ENGAGE IN BUSINESS IN THE
2 STATE.

3 (C) (1) ALL THE COSTS AND EXPENSES OF THE ADMINISTRATION SHALL BE
4 INCLUDED IN THE STATE BUDGET.

5 (2) ANY EXPENDITURES FROM THE FUND TO COVER COSTS AND
6 EXPENSES OF THE ADMINISTRATION MAY ONLY BE MADE:

7 (I) PURSUANT TO AN APPROPRIATION AGAINST THE INSURANCE
8 REGULATION FUND APPROVED BY THE GENERAL ASSEMBLY IN THE ANNUAL STATE
9 BUDGET; OR

10 (II) BY THE BUDGET AMENDMENT PROCEDURE PROVIDED FOR IN
11 § 7-209 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

12 (3) (I) IN ANY GIVEN FISCAL YEAR, IF THE AMOUNT OF THE
13 INSURANCE ~~REGULATION FEE~~ REVENUE COLLECTED BY THE COMMISSIONER
14 UNDER THIS SUBTITLE AND DEPOSITED INTO THE FUND EXCEEDS THE ACTUAL
15 EXPENDITURES PURSUANT TO APPROPRIATIONS FOR THE ADMINISTRATION, THE
16 EXCESS AMOUNT SHALL BE CARRIED FORWARD WITHIN THE FUND FOR THE
17 PURPOSE OF REDUCING THE INSURANCE REGULATION FEE IMPOSED BY THE
18 ADMINISTRATION FOR THE FOLLOWING FISCAL YEAR.

19 (II) IN ANY GIVEN FISCAL YEAR, IF THE AMOUNT OF THE
20 REVENUE COLLECTED BY THE COMMISSIONER UNDER THIS SUBTITLE AND
21 DEPOSITED INTO THE FUND IS INSUFFICIENT TO COVER THE EXPENDITURES OF THE
22 ADMINISTRATION BECAUSE OF AN UNFORESEEN EMERGENCY AND EXPENDITURES
23 ARE MADE PURSUANT TO THE BUDGET AMENDMENT PROCEDURE PROVIDED FOR
24 IN § 7-209 OF THE STATE FINANCE AND PROCUREMENT ARTICLE, ANY ADDITIONAL
25 ASSESSMENT FOR THE EXPENDITURES:

26 1. SHALL BE MADE IN THE FOLLOWING FISCAL YEAR; AND

27 2. WHEN ADDED TO THE REGULAR ASSESSMENT FOR THE
28 FOLLOWING FISCAL YEAR, MAY NOT EXCEED THE MAXIMUM PERCENTAGE FOR
29 THE INSURANCE REGULATION FEE UNDER § 2-503 OF THIS SUBTITLE.

30 (4) THE AMOUNT APPROPRIATED FOR THE OPERATION OF THE FRAUD
31 DIVISION:

32 (I) SHALL BE SEGREGATED FROM THE REMAINING MONEYS IN
33 THE FUND INTO A SEPARATE FRAUD DIVISION ACCOUNT;

34 (II) SHALL BE USED ONLY FOR THE OPERATION OF THE FRAUD
35 DIVISION; AND

36 (III) MAY NOT BE TRANSFERRED TO FUND ANY OTHER
37 OPERATIONS OF THE ADMINISTRATION.

38 (D) (1) THE STATE TREASURER IS THE CUSTODIAN OF THE FUND.

42

1 (2) THE STATE TREASURER SHALL DEPOSIT PAYMENTS RECEIVED
2 FROM THE COMMISSIONER INTO THE FUND.

3 (E) (1) THE FUND IS A CONTINUING, NONLAPSING FUND AND IS NOT
4 SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE, AND MAY
5 NOT BE DEEMED A PART OF THE GENERAL FUND OF THE STATE.

6 (2) NO PART OF THE FUND MAY REVERT OR BE CREDITED TO:

7 (I) THE GENERAL FUND OF THE STATE; OR

8 (II) A SPECIAL FUND OF THE STATE, UNLESS OTHERWISE
9 PROVIDED BY LAW.

10 ~~(3) THE STATE TREASURER SHALL DEPOSIT PAYMENTS RECEIVED~~
11 ~~FROM THE COMMISSIONER INTO THE FUND.~~

12 2-505.

13 (A) (1) ON OR BEFORE MARCH 1 OF EACH YEAR, EACH INSURER SUBJECT
14 TO THIS SUBTITLE SHALL FILE WITH THE COMMISSIONER A REPORT OF NEW AND
15 RENEWAL GROSS DIRECT PREMIUMS.

16 (2) THE REPORT SHALL BE FILED IN A MANNER AND CONTAIN THE
17 INFORMATION REQUIRED BY THE COMMISSIONER.

18 (B) FAILURE BY AN INSURER TO PAY THE INSURANCE REGULATION FEE ON
19 OR BEFORE ~~JULY 31~~ SEPTEMBER 1 OF EACH YEAR SHALL SUBJECT THE INSURER TO
20 THE PROVISIONS OF §§ 4-113 AND 4-114 OF THIS ARTICLE.

21 (C) (1) IF ADDITIONAL AMOUNTS ARE FOUND TO BE DUE AFTER A REPORT
22 HAS BEEN FILED, THE AMOUNTS SHALL BE SUBJECT TO INTEREST AT ~~6%~~ 10% PER
23 YEAR FROM THE TIME THE FEE WAS DUE UNTIL PAYMENT IS ACTUALLY MADE TO
24 THE COMMISSIONER.

25 (2) THE COMMISSIONER MAY WAIVE INTEREST UNDER THIS
26 SUBSECTION ON LATE PAYMENTS IF THE INSURER PROVES THAT IT:

27 (I) MADE A GOOD FAITH EFFORT TO COMPLY WITH THE
28 REQUIREMENTS OF THIS SECTION; AND

29 (II) EXERCISED DUE DILIGENCE TO INITIATE PAYMENT
30 CORRECTLY AND ON A TIMELY BASIS.

31 (D) THIS SECTION DOES NOT AFFECT ANY REQUIREMENT OTHERWISE
32 ESTABLISHED BY LAW FOR THE PAYMENT OF PREMIUM TAXES BY AN INSURER.

33 2-506.

34 THE COMMISSIONER MAY ADOPT REGULATIONS TO IMPLEMENT ANY
35 PROVISION OF THIS SUBTITLE.

43

1 3-204.

2 [(c) When applying for a certificate of authority, the proposed attorney in fact
3 shall pay to the Commissioner the applicable fee required by § 2-112 of this article.]

4 3-206.

5 [After payment of the applicable fee required by § 2-112 of this article, the] THE
6 Commissioner shall issue to the attorney in fact of each reciprocal insurer that meets the
7 requirements of this subtitle a certificate of authority in the name of the reciprocal
8 insurer.

9 3-207.1.

10 (A) THE CERTIFICATE OF AUTHORITY OF A RECIPROCAL INSURER SHALL
11 EXPIRE ON JULY 31 AND MAY BE RENEWED ANNUALLY.

12 (B) UPON SUBMISSION BY THE RECIPROCAL INSURER OF AN APPLICATION
13 FOR RENEWAL AND PAYMENT OF THE INSURANCE REGULATION FEE UNDER § 2-502
14 OF THIS ARTICLE BEFORE THE EXPIRATION DATE OF A CERTIFICATE OF
15 AUTHORITY, THE SAME SHALL REMAIN IN EFFECT UNTIL A NEW CERTIFICATE OF
16 AUTHORITY IS ISSUED OR SPECIFICALLY REFUSED.

17 4-112.

18 (a) A certificate of authority expires on the first [June 30] JULY 31 after its
19 effective date unless it is renewed as provided in this section.

20 (e) (1) An insurer shall mail a renewal application and the [applicable renewal
21 fee] INSURANCE REGULATION FEE UNDER § 2-502 OF THIS ARTICLE on or before
22 [June 30] JULY 31. An insurer that fails to renew its certificate of authority on or before
23 [June 30] JULY 31 shall forfeit:

24 (i) \$500 for each day from [July 1 through July 10] AUGUST 1
25 THROUGH AUGUST 10;

26 (ii) \$1,000 for each day from [July 11 through July 31] AUGUST 11
27 THROUGH AUGUST 31; and

28 (iii) \$5,000 for each day after [July 31] AUGUST 31.

29 (2) In addition to the provisions imposed under paragraph (1) of this
30 subsection, an insurer that fails to renew its certificate of authority on or before [June
31 30] JULY 31 in the previous year shall:

32 (i) renew its certificate of authority on or before [June 1] JULY 1 of
33 the current year; and

34 (ii) forfeit \$3,000 if the insurer fails to renew its certificate of authority
35 on or before [June 30] JULY 31 in the current year.

36 (3) In addition to the monetary penalties imposed under this subsection, on
37 [July 1] AUGUST 1 of each year, for each insurer that fails to file its renewal application
38 and [continuation fee] INSURANCE REGULATION FEE on or before [June 30] JULY 31,
39 the Commissioner may:

44

1 (i) order that the insurer cease and desist from engaging further from
2 the writing of insurance in this State in accordance with § 55 of this article; or

3 (ii) issue an order to require the insurer to show cause why it should
4 be allowed to continue to engage in the insurance business in the State.

5 6-105.

6 [(a) (1) A life insurer with its home office in the State is entitled to credit against
7 the total amount of taxes payable by the life insurer under this subtitle, the amount of
8 fees paid to the Commissioner by the life insurer in the preceding calendar year for
9 valuing life insurance policies.

10 (2) The credit allowed under this subsection may not exceed 15% of the
11 total amount of the taxes that would have been payable if the credit were not allowed.

12 (b)] A person that is subject to taxation under this subtitle may claim a tax credit
13 against the tax imposed for neighborhood and community assistance contributions as
14 provided under Article 83B, § 11-1004 of the Code.

15 [Subtitle 2. Fraud Prevention Fee.]

16 [6-201.

17 (a) The Commissioner shall collect an annual fraud prevention fee as provided in
18 this subtitle.

19 (b) The fraud prevention fee is in addition to any fees, penalties, charges, or
20 premium taxes imposed under this article.]

21 [6-202.

22 (a) (1) The fraud prevention fee is due and payable on or before October 1 of
23 each year.

24 (2) The Commissioner shall collect the fraud prevention fee.

25 (b) The total amount of the fraud prevention fee collected by the Commissioner
26 shall be deposited in the Insurance Fraud Division Fund for the sole purpose of funding
27 the activities of the Insurance Fraud Division.]

28 [6-203.

29 The fraud prevention fee shall be:

30 (1) for each insurer or other entity authorized to operate in the State under
31 this article:

32 (i) in 1995, \$750; and

33 (ii) in 1996, and thereafter, \$1,000; and

34 (2) \$10 for each agent licensed by the Commissioner.]

45

1 [6-204.

2 The Commissioner may adopt regulations to implement any provision of this
3 subtitle.]

4 6-303.

5 (a) When by or pursuant to the laws of any other state or foreign country any
6 taxes, licenses and other fees OTHER THAN FEES SIMILAR TO THE INSURANCE
7 REGULATION FEE, in the aggregate, and any fines, penalties, deposit requirements or
8 other material obligations, prohibitions or restrictions are or would be imposed upon
9 Maryland insurers, or upon the agents or representatives of such insurers, which are in
10 excess of such taxes, licenses and other fees, in the aggregate, or which are in excess of
11 the fines, penalties, deposit requirements or other obligations, prohibitions, or
12 restrictions directly imposed upon the similar insurers, or upon the agents or
13 representatives of such insurers, of such other state or country under statutes of this
14 State, so long as such laws of such other state or country continue in force or are so
15 applied, the same taxes, licenses and other fees, in the aggregate, or fines, penalties or
16 deposit requirements or other material obligations, prohibitions, or restrictions of
17 whatever kind shall be imposed by the Commissioner upon the insurers, or upon the
18 agents or representatives of such insurers, of such other state or country doing business or
19 seeking to do business in Maryland.

20 8-403.

21 (b) (1) In addition to the provisions of this subtitle, the following provisions of
22 this article apply to societies to the extent not in conflict with the express provisions and
23 reasonable implications of this subtitle:

24 (i) Title 1 of this article ("Definitions; General Provisions");

25 (ii) Title 2, Subtitle 1 of this article ("Organization of Administration;
26 General Powers and Duties of Commissioner"), including [§ 2-112 of this article
27 ("Fees")] §§ 2-112 AND 2-113 OF THIS ARTICLE;

28 (iii) Title 2, Subtitle 2 of this article ("Enforcement");

29 (IV) TITLE 2, SUBTITLE 5 OF THIS ARTICLE;

30 [(iv)] (V) § 3-117 of this article ("Loans to and guarantees of
31 obligations of directors and officers");

32 [(v)] (VI) § 3-127 of this article ("Sale of securities");

33 [(vi)] (VII) § 4-102(b) of this article ("Name of insurer");

34 [(vii)] (VIII) § 4-113(a)(7), (8), and (9) of this article ("Mandatory
35 grounds");

36 [(viii)] (IX) § 4-203 of this article ("Representing or helping
37 unauthorized insurer prohibited");

38 [(ix)] (X) § 4-204 of this article ("Advertisement of unauthorized
39 insurers");

46

1 [(x)] (XI) § 5-103 of this article ("Liabilities");

2 [(xi)] (XII) § 5-201 of this article ("Reserve requirements for life
3 insurer, nonprofit health service plan, and fraternal benefit society");

4 [(xii)] (XIII) Title 9, Subtitle 2 of this article ("Conservation,
5 Rehabilitation, and Liquidation of Insurers");

6 [(xiii)] (XIV) § 10-120 of this article ("Temporary certificates");

7 [(xiv)] (XV) Title 14, Subtitle X of this article (48A, §§ 468B through
8 468GB; "Medicare Supplement Act");

9 [(xv)] (XVI) Title XX of this article (48A, Subtitle 15; "Unfair Trade
10 Practices"); and

11 [(xvi)] (xvii) § XX-XXX of this article (48A, § 12; "General penalty").

12 8-405.

13 [(a) A] EXCEPT AS PROVIDED IN TITLE 2 OF THIS ARTICLE, EVERY society
14 organized or authorized to transact business under this subtitle is deemed to be a
15 charitable and benevolent institution[.

16 (b) The] AND THE funds of a society organized or authorized to transact business
17 under this subtitle are exempt from all taxes, except taxes on real estate and office
18 equipment.

19 8-423.

20 (a) A certificate of authority of a society expires on the first [June 30] JULY 31
21 after its effective date unless it is renewed as provided in this section.

22 (d) (2) If a certificate holder [pays the applicable renewal fee] APPLIES FOR
23 RENEWAL AND PAYS THE INSURANCE REGULATION FEE UNDER § 2-502 OF THIS
24 ARTICLE before the certificate of authority expires, the certificate of authority remains in
25 effect until the Commissioner renews or refuses to renew the certificate of authority.

26 8-444.

27 (a) Each society transacting insurance business in the State shall:

28 (1) file with the Commissioner an annual statement as provided in § 4-116
29 of this article; AND

30 (2) [pay to the Commissioner a fee of \$25 for filing the annual statement;
31 and

32 (3) prepare a synopsis of the annual statement that explains the condition of
33 the society as disclosed by the annual statement.

47

1 8-450.

2 An applicant for a certificate of qualification shall:

3 (1) file with the Commissioner an application on the form that the
4 Commissioner provides; and

5 (2) pay to the Commissioner [a biennial fee] THE BIENNIAL FEE
6 REQUIRED UNDER § 2-112 OF THIS ARTICLE .

7 8-451.

8 [(d) The examination fee is \$15 for each examination.]

9 8-456.

10 (a) When a society doing business in the State makes or terminates an
11 appointment of a fraternal benefit agent, the society immediately shall[:

12 (1)] file with the Commissioner written notice of the appointment or
13 termination[; and

14 (2) pay to the Commissioner the fee required by § 2-112 of this article].

15 8-461.

16 [(d) The expense of each examination or of each valuation, including the
17 compensation and expenses of examiners, shall be paid by the society examined or the
18 society whose certificates are valued, on statements provided by the Commissioner.]

19 8-462.

20 [(d) The compensation and expenses of the examiners making an examination or
21 valuation shall be paid by the society examined or the society whose certificate obligations
22 are valued, on statements provided by the Commissioner.]

23 8-510.

24 To add a name to or delete a name from a license, the licensee shall[:

25 (1)] submit to the Commissioner the change in the form that the
26 Commissioner requires[; and

27 (2) pay to the Commissioner a fee of \$10].

28 10-112.

29 (a) An applicant for a certificate of qualification as an agent or broker shall:

30 (1) file with the Commissioner the appropriate application on the form that
31 the Commissioner provides;

32 (2) pay to the Commissioner the applicable fee required by § 2-112 of this
33 article for an agent certificate of qualification or a broker certificate of qualification;

34 (3) [(i)] file with the Commissioner on the form that the Commissioner
35 provides:

48

1 [1.] (I) any agency or trade name to be used by the applicant;

2 [2.] (II) the business address of the applicant; and

3 [3.] (III) the name and residence address of each individual who
4 holds a certificate of qualification and does business under the agency or trade name;
5 [and

6 (ii) pay to the Commissioner the fee required by § 2-112 of this article
7 for filing a trade name;]

8 (4) submit to the Commissioner an affidavit from the employer of the
9 applicant stating facts that show compliance with the applicable requirements of §
10 10-104(c)(2) or (3) of this subtitle, if the applicant qualifies by meeting the experience
11 requirements of § 10-104(c)(2) or (3) of this subtitle; and

12 (5) submit to the Commissioner any additional information or
13 documentation that the Commissioner requires, including any information or
14 documentation to determine the professional competence, good character, and
15 trustworthiness of the applicant.

16 10-117.

17 To change, add to, or delete from a certificate of qualification, the agent or broker
18 shall[:

19 (1) file with the Commissioner in the form that the Commissioner requires
20 the change or addition to or deletion from the certificate of qualification[; and

21 (2) pay to the Commissioner the fee required by § 2-112 of this article for
22 each change, addition, or deletion].

23 10-118.

24 (a) (1) When an insurer doing business in the State makes or terminates an
25 appointment, the insurer immediately shall file notice of the appointment or termination
26 and the reasons for the termination in the manner specified by the Commissioner.

27 (2) [Each notice of appointment and termination shall be accompanied by
28 the applicable fee required by § 2-112 of this article.

29 (3) A disclosure to the Commissioner relative to the termination and date
30 and cause of the termination is a privileged communication and may not be used as
31 evidence in a court proceeding other than an appeal from an action of the Commissioner.

32 10-204.

33 (e) (1) [Before taking the examination required under subsection (d) of this
34 section, an applicant shall pay the application fee required by § 2-112 of this article.

35 (2) After an applicant has been notified that the applicant has passed the
36 examination, the applicant shall pay the applicable license fee required by § 2-112 of this
37 article.

49

1 [(3)] (2) An applicant who is not required to take an examination shall pay
2 the applicable license fee required by § 2-112 of this article.

3 10-404.

4 (c) (1) (i) Except as otherwise provided in this subsection, an applicant must
5 pass a written examination given by the Commissioner under this subtitle in order to
6 determine the competency of the applicant to act as a public adjuster.

7 (ii) [An applicant shall pay the application fee required by § 2-112 of
8 this article.

9 (iii)] After an applicant has been notified that the applicant has passed
10 the examination or is otherwise eligible to be licensed, the applicant shall pay the
11 applicable license fee required by § 2-112 of this article.

12 (2) The examination requirement of paragraph (1) of this subsection does
13 not apply to an individual who was licensed as a public adjuster in the State on June 30,
14 1985.

15 14-102.

16 A corporation without capital stock organized for the purpose of establishing,
17 maintaining, and operating a nonprofit health service plan through which health care
18 providers provide health care services to subscribers to the plan under contracts that
19 entitle each subscriber to certain health care services shall be governed and regulated by:

20 (1) this subtitle;

21 (2) Title 2, INCLUDING §§ 2-112 AND 2-113 AND SUBTITLE 5 OF TITLE 2,
22 and §§ 1-206, 3-127, and 12-210 of this article;

23 (3) §§ 4-113 and 4-114 of this article;

24 (4) Title 5, Subtitles 1, 2, 3, 4, and 5 of this article;

25 (5) Title 7 of this article, except for § 7-706 and Subtitle 2 of Title 7;

26 (6) Title 9, Subtitles 1, 2, and 4 of this article;

27 (7) Title 10, Subtitle 1 of this article;

28 (8) Title 27 of this article; and

29 (9) any other provision of this article that:

30 (i) is expressly referred to in this subtitle;

31 (ii) expressly refers to this subtitle; or

32 (iii) expressly refers to nonprofit health service plans or persons subject
33 to this subtitle.

50

1 14-109.

2 An applicant for a certificate of authority shall:

3 (1) file with the Commissioner an application on the form that the
4 Commissioner provides containing the information that the Commissioner considers
5 necessary; AND

6 (2) [pay to the Commissioner the applicable fee required by § 2-112 of this
7 article; and

8 (3)] file with the Commissioner copies of the following documents, certified
9 by at least two of the executive officers of the corporation:

10 (i) articles of incorporation with all amendments;

11 (ii) bylaws with all amendments;

12 (iii) each contract executed or proposed to be executed by the
13 corporation and a health care provider, embodying the terms under which health care
14 services are to be furnished to subscribers to the plan;

15 (iv) each form of contract issued or proposed to be issued to
16 subscribers to the plan and a table of the rates charged or proposed to be charged to
17 subscribers for each form of contract;

18 (v) a financial statement of the corporation, including the amount of
19 each contribution paid or agreed to be paid to the corporation for working capital, the
20 name of each contributor, and the terms of each contribution;

21 (vi) a list of the names and addresses of and biographical information
22 about the members of the board of directors of the nonprofit health service plan; and

23 (vii) any other information or documents that the Commissioner
24 considers necessary to ensure compliance with this subtitle.

25 14-110.

26 The Commissioner shall issue a certificate of authority to an applicant if[:

27 (1) the applicant has paid the applicable fee required by § 2-112 of this
28 article; and

29 (2)] the Commissioner is satisfied:

30 [(i)] (1) that the applicant has been organized in good faith for the
31 purpose of establishing, maintaining, and operating a nonprofit health service plan;

32 [(ii)] (2) that:

33 [1.] (I) each contract executed or proposed to be executed by
34 the applicant and a health care provider to furnish health care services to subscribers to
35 the nonprofit health service plan, obligates or, when executed, will obligate each health
36 care provider party to the contract to render the health care services to which each

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1 subscriber is entitled under the terms and conditions of the various contracts issued or
2 proposed to be issued by the applicant to subscribers to the plan; and

3 [2.] (II) each subscriber is entitled to reimbursement for
4 podiatric, chiropractic, psychological, or optometric services, regardless of whether the
5 service is performed by a licensed physician, licensed podiatrist, licensed chiropractor,
6 licensed psychologist, or licensed optometrist;

7 [(iii)] (3) that:

8 [1.] (I) each contract issued or proposed to be issued to
9 subscribers to the plan is in a form approved by the Commissioner; and

10 [2.] (II) the rates charged or proposed to be charged for each
11 form of each contract are fair and reasonable; and

12 [(iv)] (4) that the applicant has a surplus, as defined in § 14-117 of this
13 subtitle, of the greater of:

14 [1.] (I) \$100,000; and

15 [2.] (II) an amount equal to that required under § 14-117 of
16 this subtitle.

17 14-121.

18 (a) (1) On or before March 1 of each year, unless the Commissioner extends the
19 time for good cause, each nonprofit health service plan shall file with the Commissioner
20 a complete statement of its financial condition, transactions, and affairs for the
21 immediately preceding calendar year.

22 (2) The annual statement shall contain the information required by the
23 Commissioner and be certified by an independent certified public accountant.

24 (3) [The applicable fee required by § 2-112 of this article shall be submitted
25 at the same time as the statement.

26 (4) Unless the Commissioner extends the time for filing, a nonprofit health
27 service plan that fails to file an annual statement on or before March 10 shall pay a
28 penalty of:

29 (i) \$100 for each day from March 1 to March 10, both inclusive; and

30 (ii) \$150 for each day from March 11 to the day before the
31 Commissioner receives the statement, both inclusive.

32 (4) IN ORDER TO MAINTAIN A CERTIFICATE OF AUTHORITY, A
33 NONPROFIT HEALTH SERVICE PLAN SHALL COMPLY WITH THE PROVISIONS OF §§
34 2-112 AND 2-113 AND TITLE 2, SUBTITLE 5 OF THIS ARTICLE.

35 14-126.

36 (a) (1) A corporation subject to this subtitle may not amend its certificate of
37 incorporation, bylaws, or the terms and provisions of contracts issued or proposed to be
38 issued to subscribers to the plan until the proposed amendments have been submitted to

52

1 and approved by the Commissioner [and the applicable fees required by § 2-112 of this
2 article have been paid].

3 14-405.

4 (a) An applicant for a certificate of authority shall[:

5 (1)] file with the Commissioner an application, verified by an officer or
6 authorized representative of the dental plan organization, on the form that the
7 Commissioner provides[; and

8 (2) pay to the Commissioner an application fee of \$200].

9 14-408.

10 (a) A certificate of authority expires on the first [June 30] JULY 31 after its
11 effective date unless it is renewed as provided in this section.

12 (b) The Commissioner shall renew the certificate of authority of a dental plan
13 organization if the dental plan organization remains in compliance with this subtitle and
14 [pays to the Commissioner a renewal fee of \$100] WITH §§ 2-112 AND 2-113 AND TITLE
15 2, SUBTITLE 5 OF THIS ARTICLE.

16 25-307.

17 The Commissioner [may]:

18 (1) [require] MAY REQUIRE actuarial studies and audits to determine the
19 financial solvency of each self-insurance group as often as the Commissioner desires;

20 (2) [assess each self-insurance group an annual amount of not more than
21 \$500 to be used for the actuarial studies and audits] SHALL REQUIRE THAT, AS A
22 CONDITION OF THE COMMISSIONER'S APPROVAL OF THEIR CONTINUED OPERATION
23 IN THE STATE, EACH SELF-INSURANCE GROUP MUST PAY THE INSURANCE
24 REGULATION FEE SET OUT UNDER TITLE 2, SUBTITLE 5 OF THIS ARTICLE; and

25 (3) [require] MAY REQUIRE an annual report that may include payroll
26 audit reports, summary loss reports, and quarterly financial statements.

27 SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland
28 read as follows:

29 **Article - Insurance**

30 [2-112.

31 (a) Fees for the following certificates, licenses, and services shall be collected in
32 advance by the Commissioner, and shall be paid by the appropriate persons to the
33 Commissioner:

34 (1) fees for certificates of authority:

35 (i) application fee for initial certificate of authority, including filing
36 the application, articles of incorporation and other charter documents, except as provided
37 in item (2) of this subsection, bylaws, financial statement, examination report, power of

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1	attorney to the Commissioner, and all other documents and filings in connection with the	
2	application.....	\$1,000
3	(ii) fee for initial certificate of authority.....	\$200
4	(iii) fee for annual renewal of certificate of authority for all foreign	
5	insurers and for domestic insurers with their home or executive office in the State.....	\$500
6	(iv) fee for annual renewal of certificate of authority for domestic	
7	insurers with their home or executive office outside the State, except those domestic	
8	insurers that had their home or executive office outside the State before January 1, 1929:	
9	1. with premiums written in the most recent calendar year not	
10	exceeding \$500,000.....	\$2,500
11	2. with premiums written in the most recent calendar year not	
12	exceeding \$1,000,000	\$5,000
13	3. with premiums written in the most recent calendar year not	
14	exceeding \$2,000,000	\$7,000
15	4. with premiums written in the most recent calendar year not	
16	exceeding \$5,000,000	\$9,000
17	5. with premiums written in the most recent calendar year of	
18	more than \$5,000,000	\$11,000
19	(v) reinstatement of certificate of authority.....	\$500
20	(2) fees for articles of incorporation of a domestic insurer or foreign insurer,	
21	exclusive of fees required to be paid to the Department of Assessments and Taxation:	
22	(i) fee for filing the articles of incorporation with the Commissioner	
23	for approval.....	\$25
24	(ii) fee for amendment of the articles of incorporation.....	\$10
25	(3) fees for filing bylaws or amendments to bylaws with the	
26	Commissioner.....	\$10
27	(4) fees for certificates of qualification:	
28	(i) agent certificate of qualification:	
29	1. fee for initial certificate within 1 year of renewal.....	\$25
30	2. fee for initial certificate over 1 year from renewal.....	\$50
31	3. biennial renewal fee.....	\$50
32	(ii) broker certificate of qualification:	
33	1. fee for initial certificate within 1 year of renewal.....	\$40
34	2. fee for initial certificate over 1 year from renewal.....	\$80

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1 (ii) each amendment.....\$5

2 (11) fees for valuing life insurance policies, other than group or credit:

3 (i) for the first \$14,000,000 of insurance or any fractional part of
4 insurance.....\$350

5 (ii) for each additional \$1,000,000 of insurance or any fractional part
6 of insurance.....\$25

7 (12) fees for valuing group life insurance policies other than credit, per
8 million of insurance or any fractional part of insurance.....\$3

9 (13) fees for valuing individual and group credit life insurance policies, per
10 million of insurance or any fractional part of insurance.....\$12

11 (14) fees for valuing the reserve liabilities for outstanding annuity contracts,
12 per million of reserve or any fractional part of reserve.....\$25

13 (15) fees for certification by the Commissioner under seal.....\$5

14 (16) fees for filing the annual statement by an unauthorized insurer applying
15 for approval to become an accepted insurer or applying for approval to become an
16 accepted reinsurer or surplus lines carrier or both\$1,000

17 (17) fees for form and rate filings under §§ XX-XXX, XX-XXX, XX-XXX,
18 XX-XXX, XX-XXX, and XX-XXX of this article [48A §§ 242, 242A, 334, 356, 375, and
19 436H]\$100

20 (18) service of legal process fee under §§ 3-318(b), 3-319(d), and 4-107 of
21 this article.....\$15

22 (b) A court may award reimbursement of a service of process fee imposed under
23 subsection (a)(18) of this section to a prevailing plaintiff in any proceeding against an
24 insurer or surplus lines broker.]

25 2-112.

26 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
27 INDICATED.

28 (2) "INSURANCE PROFESSIONAL" MEANS AN AGENT, BROKER,
29 MANAGING GENERAL AGENT, SURPLUS LINES BROKER, PUBLIC ADJUSTER, OR
30 INSURANCE ADVISER WHO HAS A VALID CERTIFICATE OF QUALIFICATION.

31 (3) "CERTIFICATE OF QUALIFICATION" INCLUDES A LICENSE.

32 (B) (1) THE COMMISSIONER SHALL COLLECT THE FEES SET OUT IN THIS
33 SUBSECTION IN ADVANCE FROM THE PERSONS LISTED.

34 (2) INSURANCE PROFESSIONALS:

35 (I) ORIGINAL CERTIFICATE OF QUALIFICATION WITHIN 1 YEAR
36 OF RENEWAL.....~~\$ 45.00~~ \$ 35.00

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1 (II) ORIGINAL CERTIFICATE OF QUALIFICATION OVER 1 YEAR
2 FROM RENEWAL.....\$ 70.00

3 (III) BIENNIAL RENEWAL OR CONTINUATION OF CERTIFICATE OF
4 QUALIFICATION.....~~\$ 70.00~~ \$ 65.00

5 (3) TEMPORARY CERTIFICATES OF QUALIFICATION:

6 (I) AGENTS..... \$ 45.00

7 (II) BROKERS \$ 60.00

8 (4) SERVICE OF LEGAL PROCESS UNDER §§ 3-318(B) AND 4-107 OF THIS
9 ARTICLE..... \$ 15.00

10 (5) COPIES OF DOCUMENTS ON FILE IN THE COMMISSIONER'S OFFICE
11 PER PAGE.....\$ 0.25

12 (C) A COURT MAY AWARD REIMBURSEMENT OF A SERVICE OF PROCESS FEE
13 IMPOSED UNDER SUBSECTION (B)(4) OF THIS SECTION TO A PREVAILING PLAINTIFF
14 IN ANY PROCEEDING AGAINST AN INSURER OR SURPLUS LINES BROKER.

15 10-118.

16 (a) (1) When an insurer doing business in the State makes or terminates an
17 appointment, the insurer immediately shall:

18 (i) file with the Commissioner written notice of the appointment or
19 termination and the reasons for the termination[]; and

20 (ii) pay to the Commissioner the applicable fee required by § 2-112 of
21 this article].

22 (2) A disclosure to the Commissioner relative to the termination and date
23 and cause of the termination is a privileged communication and may not be used as
24 evidence in a court proceeding other than an appeal from an action of the Commissioner.

25 (3) The appointment and appointment fee provisions of this subsection do
26 not apply to agents with an appointment from an insurer on June 30, 1985.

27 SECTION 4. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall
28 take effect June 1, 1997.

29 SECTION 5. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall
30 take effect October 1, 1997.

31 SECTION 6. AND BE IT FURTHER ENACTED, That Section 3 of this Act shall
32 take effect January 1, 2002.

